

JPRS-SSA-85-112

14 November 1985

# Sub-Saharan Africa Report

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14 November 1985

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ETHIOPIA

GOVERNMENT PROPAGANDA CAMPAIGN LAUNCHED IN ERITREA

Paris THE INDIAN OCEAN NEWSLETTER in English 12 Oct 85 p 4

[Text]

The Ethiopian authorities launched a political and diplomatic propaganda campaign at the beginning of September aimed at both foreign and domestic consumption, and particularly at those members of the armed forces who have become demoralised by the interminable Eritrean conflict. The intention was to show that the fierce and expensive battles which raged in Eritrea throughout August at the cost of thousands of dead and wounded, ending in the recapture of Barentu and Tessenei by government forces, were justified by reason of the refusal of the opposition to accept a political solution to the conflict. Thousands of leaflets and booklets, printed in Tigrigna, Arabic, Amharic and English, were scattered by helicopter over a wide area of Eritrea, and were also made available in Ethiopia's embassies abroad. The booklets, issued in the name of the Ethiopian Workers' Party and entitled "The Sole Truth and the Only Solution", called on the Eritrean guerrillas to lay down their arms or "meet the same fate" as their comrades at Barentu and Tessenei. They denied that Addis Ababa had rejected attempts by the Eritrean leadership to reach a peaceful solution, and listed what they said were all the contacts and attempts to mediate between the two sides between 1974 and 1978. This pronouncement of the official Ethiopian view of the conflict was followed a few days later by a statement from the Eritrean People's Liberation Front (broadcast on the EPLF's radio on September 10, the eve of the 11th anniversary of the Ethiopian revolution, and distributed abroad on September 24) that preliminary peace talks had taken place between September 1982 and April 1985 (see I.O.N. N°199) and had failed through the fault of the Ethiopian authorities.

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CSO: 3400/275

ETHIOPIA

BRIEFS

ERITREANS' GREEK TRAGEDY--The Panamanian-registered Pasni Bay with a gift of 2,500 tonnes of wheat from the European Economic Community for Eritrean refugees in Sudan is stuck in Piraeus, Greece, and its crew has disappeared. The wheat was loaded in Hamburg last July 10, according to the bill of lading signed by the ship's captain, but while the transporter, the London-based Chartered Marine, was paid in advance by the West German agency acting for the EEC, the owner of the Pasni Bay, a Pakistani named Neem Carfraz who lives in New York, received nothing. According to Mr Carfraz, one of the principal shareholders in Chartered Marine recently died and the company has gone into liquidation. Meanwhile the intended recipient of the wheat, a non-governmental organisation based in Belgium, considers that the refusal of the ship's owner to send the consignment on is tantamount to a breach of contract. However, sources close to the recipient said the organisation Band Aid, which staged two mammoth rock concerts in aid of African famine victims earlier this year, could agree to pay the shipping charges. EEC aid to refugees in Sudan is put at about 15 million dollars. [Text] [Paris THE INDIAN OCEAN NEWSLETTER in English 12 Oct 85 p 2]

CALL FOR MORE AID--Ethiopia asked representatives of donor countries at a meeting in Addis Ababa on October 8 for 1.2 million tonnes of food aid in 1986, in order to feed what the national Relief and Rehabilitation Commission predicts will be 5.8 million people threatened with famine. The chairman of the commission, Dawit Wolde-Giorgis, said these figures would be revised downwards if the harvest due in three months is better than forecast. Meanwhile Ethiopia's minister responsible for planning, Mersie Ejigu, had talks in Brussels on October 7 and 8 with officials of the European Economic Community on the aid programme which Ethiopia will receive under the third Lome Convention. [Text] [Paris THE INDIAN OCEAN NEWSLETTER in English 12 Oct 85 p 7]

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CSO: 3400/275

GHANA

OAU ADVISED TO CREATE VIABLE POLITICAL ORGAN

Accra PEOPLE'S DAILY GRAPHIC in English 16 Oct 85 pp 1, 5

[Article by Emmanuel Addo Essah]

[Text]

**MRS Aanaa Enin,** member of the PNDC has urged the Organisation of African Unity (OAU) to cease being a yearly ritual assembly of Heads of State and Governments and address itself to creating a viable political organ, capable of looking at Africa's problems and their solutions in a wider continental context.

She said what Africa urgently needed was political cohesion to overcome the present colonial legacy of national chauvinism which does nobody any good.

Mrs. Enin said these when delivering the opening address at the fourth Afro-Conference General Assembly at Adoagyiri, Nsawam yesterday.

The PNDC member said, in spite of Africa's immense resources, she is in the news daily as a continent of poverty, famine, ignorance and disease.

She wondered why Africa is faced with natural, economic and social tragedies although most of the countries of Africa became sovereign states a quarter of a century ago.

Mrs. Enin therefore made it clear that Ghanaians are calling for the speedy implementation of the 'Lagos Plan of Action' of the OAU.

"In making this urgent appeal, we are aware that with the enormous natural and human resources of our continent, our destiny and salvation rest upon ourselves. Assistance from outside our continent can only supplement our efforts," she pointed out.

She hoped that the Afro-Conference General Assembly which is a conference of the youth would come out with solutions to stop the exodus of skilled manpower who are mostly the youth to America and Western Europe, which adds to the problem of un-

bridled exploitation of Africa's natural resources.

The President of the Afro-Conference, Mr J. B. Yegbe, in his welcome address said the conference as a Pan-African Youth Assembly would afford participants the opportunity of discussing at the continental level the problems that bedevil Africa and engage in a search for relevant solutions at grassroot level where all member countries of the Afro-Conference operate.

Delivering the key-note address, the Most Rev. Peter Dery, Archbishop of Tamale said economic and sound human development could not be achieved in any nation where justice, peace and equilibrium are absent.

The Archbishop said national planning is needed to encourage and to stimulate, co-ordinate support and integrate the efforts of others.

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CSO: 3400/282

GHANA

NATION COMMISSION FOR DEMOCRACY DISCUSSES POLITICAL ISSUES

Accra PEOPLE'S DAILY GRAPHIC in English 14, 15 Oct 85

[14 Oct 85 p 3]

[Text]

*This is the concluding part of the press release issued by the Public Relations Department of the National Commission for Democracy explaining certain burning issues concerning the Commission's work. The first part was published yesterday under the heading: "All must have a say in the use of power."*

**Q: WHAT specific issues have been dealt with by individuals who have appeared before the Commission?**

A: We have had papers on topics like:

- Indigenous Concept of Democracy; Its working in the Past and Present;
- Contemporary Social Problems of Ghana: The Role of the Christian Churches and their Solution;
- The Years of Party Rule and Democracy in Ghana;
- A Case for Pan-Africanism with Communism as a Frame-Work;
- Nation Building or Partisan Politics;
- Towards the Political Kingdom;
- Nature of Colonial Education and its effect on the Spiritual, Mental and Political Attitudes of the Ghanaian;
- The Relevance of Traditional Music and Musical Instruments in Search for a Viable Democratic System;
- Ghana's Future System of Government;

- Indigenous Institutions of Government: How to Adapt and Modernize them for a Viable and Functional Democracy; and
- Adult Education in Nation Building.

**Q: Is the Commission addressing itself to Military involvement in any future Constitution for this country?**

A: May I correct this impression first. The formulation of a programme for true democracy in Ghana does not involve the NCD in any way in the preparation of a Constitution. The NCD is not performing the duties of a Constitutional Commission or a Constituent Assembly. It is basically an advisory and preparatory body.

Coming now to the military question, we definitely would want to draw the attention of our people to the phenomenon of military intervention in Ghana, Africa and the Third World. There is a question whether or not the constitution we have had realistically addressed the issue of the true role of the

military in the post-colonial period after political independence — the whole question of the emergence of the military as an instrument of political change in Africa.

The Military is one of several institutions like the Civil Service, the Judiciary, the Houses of Chiefs, the Police, to mention a few. What we need in Ghana is the total transformation of these institutions in order that they can play their proper roles in the effort of nation building. We need a new armed forces that is politically alive, and capable of realising themselves as a useful part of a more democratic and just society.

The NCD in formulating its task is concerned with ensuring that each segment of the nation, properly oriented, has a role to play in the nation's affairs. There is no guarantee that giving the military a role in any future government would necessarily assure political stability, economic development or social justice. The strength of a political order does not lie in neat theoretical assumptions. Its

strength lies in the unshakable determination of the people to uphold it against pressures and rampant abuses.

**Q: Is there a timetable for the realisation of the NCD's programme?**

**A:** Unlike the former Electoral Commission whose work was periodical, the NCD's function is a combination of electoral and civic and political education. Making people aware of their political rights and responsibilities; identifying their needs; monitoring implementation of government policies designed to meet the pressing needs of the population are all on-going functions. NCD's role is a continuing process which has no time confine. All the Commission is interested in is the full grasp of the rudiments of government at the grass-root level through to the national level.

**Q: Will the NCD continue to confine the 'Search' to selected few?**

**A:** Not at all. We have to interact with the people. The NCD is also formulating a grass-root programme of contact with the people through the CDR structure in the towns and villages in order to ascertain their views in this national issue. The Commission also intends to use seminars, workshops and other group activities in the course of its work where people will have the opportunity of exchanging ideas and bringing to the force their own ideas and views. There is no need to wait for any formal invitation.

People must feel free to submit their views, taking into consideration the issues to which we are addressing ourselves, to: The Secretary, National Commission for Democracy, P.O. Box M.314, Accra, either through the post or personally. The office is situated on the junction of the 8th Avenue between the Mental and

Ridge Hospitals. Interested persons may also channel their views through the Regional Offices of the Commission.

**Q: Why is it that we have as Chairman of the Commission a member of the PNDC?**

**A:** Since the PNDC is leading a revolution it is important that an organ playing the role of leading our people in fashioning out true democracy should be headed by one of them to provide necessary leadership and guidance.

In conclusion it is important to state the need to engage the full attention of the people of this country for grass-root participation from the village, town, area council level to the districts. It is also important to stress the need for local responsibility for local development as an integral part of Government to make the people at the local level feel responsible for the progress of the community in which they live.

[15 Oct 85 p 3]

[Text]

**QUESTION: What might be the underlying factor for this change?**

**ANSWER:** Independence gave us a constitution, guaranteed a parliament, a judiciary apart from an executive authority. These provisions were repeated in 1969 and 1979 with the provision of new constitutions after the two military take-overs of 1966 and 1972.

These constitutions were supposed to bestow upon us a full participatory form of government, assuring us free speech, freedom from arbitrary arrest, and above all a full share in the resources of the land and the fruits of our labour.

But we all know that each of our constitutional experiments failed because the type of representative system we adopted on each occasion made governments remote and distant from the primary communities that were alleged to have elected them.

Consequently governments remained in the hands of a few, and above all represented the interest of the economically powerful who had access to these resources.

Power and government must be returned to the people by a single process of recovering the old and hitherto ineffectual way of organising government.

Self Government must mean that political authority shall be in the hands of

all communities who shall exercise it for their own benefit. In other words, a sound local Government system shall be the basis and sine qua non of a sound national government.

The NCD's task therefore is to prepare all segments of our nation to take hold of their own communities, and organise these for their own economic good. This task includes the mobilization of these communities for the purposes of achieving full and democratic participation in the use of power.

**Q: What is the role of the NCD?**

**A:** The N.C.D. has been charged with the responsibility for:

\* The PNDC in the proclamation soon after the December 31 Revolution established the National Commission for Democracy to take over the functions of the Electoral Commission and to discharge several other functions the PNDC assigned to it.

We publish below the first part of a release from the Public Relations Department of the Commission explaining certain burning issues.

- disseminating within the Ghanaian society, awareness of the objectives of the on-going revolutionary transformation in the country;

- identifying regularly, through direct contact, the real needs of the people, especially in the remoter areas and the deprived sections of the community and notify the Government constantly of these needs;

- assessing for the information of the Government, the limitations to the achievement of true democracy, arising from the existing inequalities between different strata of the population, and make recommendations for redress;

- monitoring the implementation of Government policies designed to meet the urgent needs of the population, and report to the Government regularly its observation; and

- formulating and advising the PNDC on a programme for a more effective realization of a true democracy in Ghana.

**Q: Does the Commission have any programme towards the effective implementation of its role?**

A: Surely, there is indeed a programme. The NCD took over the Electoral Commission therefore there was the need for restructuring and re-orientation in terms of personnel, programmes and equipment. The Commission is outlining a training programme for some of the staff to ensure fuller understanding of the scope and role of the Commission.

**Q: Does that mean the Commission is abandoning its electoral role?**

A: As pointed out earlier on, the Commission has to inform, educate and cons-

cientise the people of this country on the aims and objectives of the Revolution, and what the people can do to make it meaningful for the common good.

There is therefore, the need for an intensive and systematic public education to ensure that the people fully participate in decisions affecting them from the local level.

The NCD is ensuring that the people fashion out a democratic system of Government that would genuinely reflect their political will and creative power.

This must precede any electoral programme. It must be emphasised however, that although the electoral function is in abeyance the elective principle has not been discarded.

For instance, the NCD still conducts and supervises elections for some statutory bodies like the Houses of Chiefs, the Medical and Dental Council, the Ghana Legion. We are also engaged in some CDR elections and elections for private bodies such as the Civil Engineering and Building Contractors' Association of Ghana, Churches, the Ghana Federation of Agricultural Co-operatives, etc.

**Q: In announcing the membership of the Commission the Government statement explained that the NCD shall as phase one of its programme of action, formally collect, collate, and evaluate views and work done on the future political structure of Ghana for presentation to the nation. What is the Commission doing in this direction?**

A: Since the constitution of the membership of the Commission in November last year the members have been meet-

ing among themselves to work out the Commission's legal functions in political terms in order to fashion out a scheme of work and to prepare the ground for our interaction with the people.

We feel that the formulation of a programme for the realisation of true democracy in Ghana should not be rushed otherwise we stand the risk of suffering the fate which has befallen past Governments and

#### Constitutions.

We all know of the equal ease with which our Constitutions have failed to survive. One must look at the fate of the 1960, 1969 and 1979 Republican Constitutions.

We think that we should pause and reflect seriously on the obstacles to the achievement of true democracy in the country. We need to start from fundamentals. Hence the invitation to certain individuals to discuss with the Commission various basic issues that are significant in the process of putting together a programme in terms of our statutory functions. Also some memoranda have been received from other people.

**Q: What are some of the issues to which the Commission has been addressing itself?**

A: We feel that a truly democratic system should take into consideration our tradition, history and culture. We must measure the performance of the modern political system since independence against our traditional systems and see whether the modern period could not have been improved by an inter relationship with the traditional system.

We feel attention must be drawn to certain socio-cultural values, such as consultation, voluntary participation, consensus

and self-reliance which we cherish as a people but which we seem to have failed to integrate into the political order. We must address ourselves to the following:

- the issue of whether institutionalised opposition is a true guarantor of political democracy;

- the integration of popular effort towards the achievement of national goals on the basis of consensus;

- the spirit of voluntarism which emphasises the committed and total involvement of a community as a whole in the upliftment of the people of that community.

There is the need to question and, if necessary, challenge the assumptions which seem to underlie the political structures which we embraced at independence and to which we have tried to give meaning since independence with results which are well known.

For this purpose, we think it is important to re-examine the values underlying the so-called Westminster or the Executive Presidential Systems of Government and the various institutions that accompanied the political experiments that have so far failed.

For example, the Judiciary, the Armed Forces, the Police and the Civil Service, etc. Hence the Revolution's concern with these institutions in the search for a more democratic form of government.

We also think that it is necessary to draw the attention of the people to the one-party or the multi-party systems which have operated in this country and to evaluate them in order to determine whether in practice these systems have provided effective vehicles for the mobilization of our people towards development.

GHANA

BAWKU TRIBAL CONFLICTS END

Accra PEOPLE'S DAILY GRAPHIC in English 4 Oct 85 pp 4/5

[Article by Iddrisu Seini]

[Text]

**THE bloody clashes between the Mampruis and Kusasis which erupted last Saturday at Bawku, resulting in the death of several people, and many others seriously injured, has now ended.**

Many houses, including the palace of the Bawku-Naba, Sigr Nichiama II, were also burnt down.

So far, the death toll officially stands at 13 while 167 persons have been arrested in connection with the clashes.

It is however believed that the death toll is more than 13 since most of the people engaged in the fighting were operating from millet farms and might have died there.

An official statement issued by the Upper-East Regional Administration on the situation at Bolgatanga said, the subsiding of the clashes had been due to efforts of the Mobile Force from Accra and the constant visit to the area by the Regional Secretary, Mr J. E. Sekyi.

Mr Sekyi praised the policemen for the good work they had so far done to restore calm to the area.

He hoped that they would restore law and order, so that people in the area would go about their legitimate activities in an atmosphere devoid of violence and intimidation.

The Regional Secretary advised the security agencies on operational duties in the area not to take sides in the conflict.

He urged them to endeavour to discharge their duties as required of them by the government.

Mr Sekyi said the PNDC was taking the necessary steps to ensure that the situation was brought under control, and that it would be suicidal for any peace officer to take sides in the conflict.

He also warned both factions to lay down their arms or face the necessary consequences.

Earlier, Mr Sekyi had spent several hours visiting the disaster areas, and the injured persons at the hospitals.

Meanwhile, a contingent of the air-borne force of the Ghana Army, has been despatched to the area to help the police maintain complete peace and order.

/9317  
CSO: 3400/278

GHANA

## SYLLABUS ON POLITICAL EDUCATION FOR ARMED FORCES

Accra PEOPLE'S DAILY GRAPHIC in English 5 Oct 85 p 1

[Article by Joe Bradford Nyinah]

[Text]

**THE Ghana Armed Forces will soon come out with a comprehensive syllabus on political education for all ranks, the Force Commander, Major-General Arnold Quainoo, announced yesterday.**

The military, he noted, was going to make use of a wide range of experts in the country to educate its members since they form the vanguard of the revolution.

The Force Commander was opening a durbar of men from the various units of the Ministry of Defence Headquarters, the Airforce and Navy at the Burma Hall in Accra.

He noted that he was not going to wait for the completion of the syllabus before the political education starts.

Among the personalities who talked to the soldiers on various political concepts were Ghana's Ambassador to Brazil, Dr Kofi Awoonor, Rev. Father Joop Visser of the Police Council and Mrs Shirley Ababio of the PNDC Secretariat.

Major-General Quainoo, stressed the need for the men in uniform to be well informed since according to him, "a revolution can-

not thrive on ignorance".

He said it was important for the soldier to understand concepts like truth, justice, freedom, capitalism and socialism and how they relate to the Ghanaian society.

Speaking on the concept of power, Father Visser defined it as the ability to compel obedience and added that the concept of power as introduced to the Ghanaian soldier had in the past corrupted most of the country's men in uniform.

In a revolutionary era, Father Visser noted, power should be translated to serve the people.

He noted that the time when people thought they could come to power by taking over the radio station was over since the various pockets of power spread throughout the country in the form of CDRs cannot be dismantled by radio announcements.

To make the people's power concept stable, he said that such power should not be geographical, material or exist outside the people, adding that "the power should be within the people and serve them if it is to be immutable".

/9317

CSO: 3400/280

GHANA

REVITALIZATION OF DECENTRALIZATION PROCESS CALLED FOR

Accra PEOPLE'S DAILY GRAPHIC in English 14 Oct 85 p 1

[Article by George Amosah]

[Excerpt]

A MEMBER of the National Commission on Democracy (NCD), has called for immediate steps to rescue the decentralisation programme from the "bureaucratic limbo" into which it has fallen to make way for practical realisation of grassroots democracy in Ghana.

Decentralisation must become an immediate reality, he said, to enable Ghanaians to exercise full control over their own affairs within a philosophical framework to be defined by the NCD in close collaboration with its grassroots allies — the CDRs, Mobilisation Committees and the various voluntary organs of the revolution.

Dr Kofi Awoonor, who is also Ghana's Ambassador to Brazil, was speaking at a seminar for Secretaries of State at the Military Academy and Training School (MATS) at Teshie near Accra at the weekend.

In a speech which dwelt mainly on the search for REAL democracy in Ghana, Dr. Awoonor pointed out: 'It is only when local self-determining governments are in place can we speak of national representation which must take the form of periodic

national congresses made up of representatives from the local grassroots."

A role must be found for traditional councils which enjoy political and economic authority at the grassroots, he said, for without this, revolutionary work would meet with confrontations and uneducated opposition founded on sheer suspicion.

Dr. Awoonor also pointed out that a full realisation of these objectives demands political education, re-organisation of formal education, a new bureaucracy and a strengthened tribunals system to dispense justice efficiently at all levels of society.

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GHANA

## PNDC MEMBER ON GOVERNMENT'S BASIC NEEDS POLICY

Accra PEOPLE'S DAILY GRAPHIC in English 7 Oct 85 pp 1, 4/5

[Text]

A MEMBER of the PNDC, Alhaji Iddrisu Mahama, has said that it is the policy of the government to mobilise the people to provide themselves with their basic needs while the government provides the inputs where necessary.

He said the country is faced with many problems political, economic, social and even spiritual which cannot be solved effectively unless the people pledged themselves to work together in happy comradeship.

Alhaji Mahama made these observations when he launched a six-year development programme for Amansie estimated at C300 million on behalf of Flight-Lieutenant J. J. Rawlings, PNDC Chairman, at a durbar of chiefs and people of Bekwai-Ashanti at the week-end.

He said he was highly impressed by the support of the chiefs and people of Amansie for the government's decentralisation and mobilisation programmes.

Alhaji Mahama assured the people that the PNDC Government would assist in the implementation of the six-year development programme to bring glories and honours to the people.

Alhaji Mahama announced that the Amansie District is already on the PNDC's plan for the extension of the Akosombo power grid from Kumasi to Bekwai.

He said with the efforts they have put in to generate funds for the electrification project, the PNDC would assist them with the foreign exchange component involved.

The PNDC member stressed the importance of agriculture in the nation's economy and said "throughout the history of the nation, our soil and water, our forest and minerals, have provided the resources upon which this country grows."

He noted that the nation must continue to exploit its natural resources rather than import food for sustenance and raw materials for the industries.

Alhaji Mahama hoped the interest generated in the Amansie development programme would not flag but would continue to grow in the years ahead to enable them to realise the result of their endeavours.

Alhaji Mahama appealed to chiefs in the country to lead their people to achieve better socio-economic development in their areas.

He also urged them to get involved in development projects by mobilising all available human and material resources within their areas for the improvement of the living standards of their people.

The PNDC member said the government was committed to improving living standards of the people at the grass-root level.

He said "because of limited time and resources at the government's disposal to visit all villages in the country, much needed assistance would be given to those who take the initiative to develop their areas".

Alhaji Mahama said it is one of the major objectives of the revolution to create awareness among Ghanaians to take their own destiny into their own hands.

He said this has been clearly demonstrated by the contributions of the chiefs and people of Amansie District to the development of their areas.

He warned members of the development committee to make sure that the people's money contributed to finance the project are judiciously used for the purpose and not diverted into private pockets.

Alhaji Mahama said from discussions with the

Amansie Development Committee, he had been made aware of the problems of the district. He promised that he would take personal interest in their problems and within the limit of the present resources help in finding solutions to them.

The PNDC member explained that in state matters nothing works better than to have personal contact with the people to get acquainted with their problems.

Alhaji Mahama extended warm regards and felicitations of other members of the PNDC who, because of national assignments, were unable to attend the function.

Mr W. H. Yeboah, Asanti Regional Secretary, reminded the people of the government's policy and programmes which are geared towards development by mobilising human and material resources in all localities to bring about the material and spiritual upliftment of the people.

"Local initiatives and

action programmes are essential to effective rural development". Mr Yeboah stressed.

The Regional Secretary said to ensure that the programmes initiated by the people of the Amansie District were implemented effectively the Regional Administration had appointed a committee to monitor the utilisation of the funds realised.

According to Mr Yeboah, the monitoring committee comprises the Regional Accountant of the Regional Administration, the Regional Organising Assistant of the CDRs, the Apagyahene, Oheneba Kwame Kyeretwie, Mr Assibi Nahyi, Under-Secretary for Agriculture in the Ashanti Region and a member of the Amansie Development Committee.

Mr D. K. A. Ofori-Nuako, Chairman of the Interim Management Committee of the Kumasi Asante Kotoko Football

Club who chaired the function, called on the people to take the development programme seriously and contribute generously towards its success.

The special guest of honour of the launching ceremony was the Asantehene, Otumfuo Opoku Ware II.

Projects envisaged under the programme include electrification, road construction, provision of health and education facilities, pipe-borne water and establishment of rural industries.

According to Mr J. K. Asibey, a member of the Amansie Development Committee, male residents would pay ₦400 each, while a female resident would pay ₦300.

He said those resident outside the town would pay ₦1,000 per male and ₦600 per female.—GNA.

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GHANA

RAWLINGS CALLS FOR RAPID IMPLEMENTATION OF POLICY

Accra PEOPLE'S DAILY GRAPHIC in English 5 Oct 85 p 1

[Text]

**THE Leader of the Revolution, Flt-Lt J. J. Rawlings, has reiterated that the 31st December Revolution was not intended to put new wine into old bottles.**

On the contrary, it remains the unshakable determination of the revolutionary leadership to put new wine into new bottles.

The Chairman of the PNDC who was opening the first of a series of seminars for Secretaries of State and some heads of public boards and corporations at the Military Academy and Training School at Teshie yesterday, said that this position is clearly reflected in the 1982 Guidelines which state that "any transformation in order to be truly revolutionary must aim at a complete and radical change of both the existing social, political and economic structures and the human elements within the government machinery."

He said that the urgent task facing the government and the various organs of the revolution makes it imperative that workable procedures, unhamp~~ped~~red by bureaucratic delays, should be devised for the prompt implementation of government policies at all levels.

The Leader of the Revolution further said that the cardinal objective of the total economic and social transformation of the Ghanaian society calls for informed, dedicated and disciplined leadership adding that the leadership must correct its own lapses before it has the moral authority to correct the lapses of others.

Flt-Lt Rawlings said that there is always the danger of some secretaries becoming so busy with their own sectors of responsibility that they might lose sight of the whole picture, or even begin to feel resentment when a colleague touched upon an area which they regard as their exclusive territory.

He stated that it is in this spirit that the series of discursive seminars which is a useful blend of military and management techniques have been organised to give further opportunities to share ideas and experiences.

The PNDC Chairman concluded that he expected that this programme would not be like some previous ones which, as soon as they were finished, were forgotten about because of lack of co-ordination and follow up.

Those present at the ceremony were PNDC members including the Force Commander, Maj-Gen Arnold Quainoo, the Chairman of the Committee of Secretaries, Mr P. V. Obeng and Capt Kojo Tsikata.

Others were the Chief of Staff, Col E. K. T. Donkor and the Commandant of the Military Academy Brig Mensa-Woode.

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GHANA

## NEW SECRETARIAT IN MINISTRY OF LABOR AND SOCIAL WELFARE

Accra PEOPLE'S DAILY GRAPHIC in English 16 Oct 85 pp 1, 4

[Article by Faustina Ashirifie]

[Text]

**A PERMANENT secretariat for remuneration and conditions of service has been set up under the Ministry of Labour and Social Welfare as part of the ministry's restructuring exercise, Mr Ato Austin, the Labour Secretary has announced.**

The body, he said, would co-ordinate proposals for improved conditions of service of public organisations which depend on subvention based on the budget in anticipation of new budgets.

Mr Austin expressed the hope that through this framework, a democratic apparatus which would involve workers in a pre-budget discussions, especially on subjects affecting their working conditions would emerge.

The Labour Decree NLCD 157 is being renewed to give this innovation a legal backing, he assured.

The Secretary was opening in Accra yesterday, a week-long seminar organised jointly by the Ghana National Association of Teachers (GNAT) and Teachers and Educational Workers Union (TEWU) of TUC under the sponsorship of the International Federation of Free Teachers Unions (IFFTU).

The seminar themed, "Trade Union Education" is aimed at fostering better understanding and stronger working relationship between the GNAT and TEWU with the view to developing joint strategies for securing improved working conditions and sound industrial relations within the educational sector.

Mr Austin who referred to the long history of the division between the TEWU and GNAT noted that the Industrial Relations Act of 1965 has not been able to resolve the problem of which of the two bodies should serve employers in private schools.

For instance, he pointed out that with the development of private schools and educational institutions, the dividing line between teachers and educational workers have become blurred especially in the area of negotiation for better conditions.

To rectify the existing errors in the Labour Act, Mr Austin further hinted that his ministry has considered the setting up of a permanent tripartite committee under the chief labour officer to deal with all problems relating to demarcation and freedom of association.

He reminded the participants who were drawn from the two associations from all over the country and representatives from some unions in the country of some of the lapses in the bargaining procedures in which the government is concerned.

"In fact, the principle of bargaining which from inception has been confrontational between the working class and employers had been extended to the state sector by default" adding that social growth has outpaced and rendered

outmoded those laws of unionism.

Mr Austin therefore stressed that the principle of unionism as an instrument of confrontation must now give way to collaboration and participation in the national democratic struggle in seeking solutions to the country's problems.

In a welcome address, Mr C. K. Abiable, General Secretary of TEWU expressed the view that the separation of the two associations has hampered their progress.

The purpose of the seminar, according to him is therefore to bring together the top leadership of the two associations to expose them to the socio-economic problems of the nation and to find out how to deal with the challenges they pose from organised labour stand point.

The IFFTU representative at the seminar, Mr Peter Mitchell stressed that developing countries unionists now need more general education for their children and adults to be able to continue the struggle for economic freedom.

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GHANA

## LUANDA NON-ALIGNMENT CONFERENCE PRAISED

Accra PEOPLE'S DAILY GRAPHIC in English 4 Oct 85 pp 1, 5

[Article by K. Baako-Boakye]

[Text]

**THE recent non-aligned conference held in Luanda ended on a positive note with member countries pledging an increased support for the liberation struggles going on in South Africa, Latin America, and Palestine.**

As a matter of fact the very holding of every Non-Aligned conference is in itself a success for the movement, for, there are forces which have always sought either to prevent the Non-Aligned Movement from growing further or to divide its ranks.

The holding of the conference in Angola itself is significant because that is one of the countries chosen by imperialist and reactionary forces to do battle against the forces of progress and independence. It is instructive that not long after the Angola meeting the racist South African government admitted publicly that it gives support to bandit organisations such as UNITA in Angola

and the RENAMO in Mozambique.

Of course it is not only in South Africa that powerful interests give support to counter-revolutionary forces working to undermine the legitimate aspirations of the people. As everyone knows the United States gives support to the "contras" in Nicaragua. Indeed the 'contras' are led by CIA agents and other mercenaries. At the same time by its unconditional support for the government forces in El Salvador the US makes it difficult for a genuine reconciliation to take place in El Salvador.

Given the fact that groups such as UNITA, RENAMO, the Racist Regime in Pretoria, the repressive regimes in El Salvador and Chile and the Zionist State of Israel constitute a network of anti revolutionary forces, it can be said that the non-aligned conference's condemnation of apartheid implies a condemnation of all its allies.

Today more than ever before the Non-Aligned Movement has embarked on the path progressing by

siding with those who are struggling against imperialism, colonialism, neo-colonialism, racism, zionism and apartheid.

Such commitment on the part of the movement is today one of the main guarantees for world peace. The Non-Aligned Movement has consistently supported the initiatives of progressive mankind for disarmament, detente and peace.

This is a necessary stand. In the face of the aggressive military build-up in the west including the Star Wars project, it is necessary for the small countries of the world which are grouped in the Non-Aligned Movement to ensure that the world's available resources will be used for useful purposes.

Recent acts of aggression by South Africa and Israel underscore the concern expressed at the Angolan meeting. Furthermore they serve as a signal to the Non-Aligned Movement that this is the time for it to stiffen its back and deal a conclusive blow to the evils that confront our peoples in their effort to develop.

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CSO: 3400/282

GHANA

## LACK OF BOARD HINDERS INVESTMENT CODE IMPLEMENTATION

Accra PEOPLE'S DAILY GRAPHIC in English 8 Oct 85 pp 1, 5

[Article by Wendy Asiama]

[Text]

**THE non-existence of a board to ensure the full implementation of the 1985 Investment Code is detrimental not only to the Investment Centre but to the country as a whole.**

Despite the encouraging response and enquiries received from the international community after the promulgation of the code in July, this year by the government the absence of a board and a chief executive to speedily handle the affairs of the board is creating problems in the effective implementation of the code.

Dr Stephen Adei, head of the Research Department of the Ghana Investment Centre made these observations when answering questions from the audience at a symposium on "Ghana's Investment Code 1985" at the National Investment Bank in Accra yesterday.

Mr Adei told the audience that under the present code the composition of the board has been altered significantly with the

provision of a seven member board instead of 13 to be selected by the PNDC.

Under the code, the governing body of the centre shall be the board which shall be responsible for the discharge of the business and functions of the centre.

It will be made up of a chairman and six other persons, including a vice-chairman and a chief executive all of whom shall be appointed by the PNDC having regard to their sound knowledge or practical experience of matters pertaining to investments in Ghana.

Apart from the chief executive all members of the board shall hold office for a term of three years and shall be eligible for re-appointment while a member may at anytime resign his office by writing to the PNDC.

In his address to the audience Mr Adei said the success of the overall Economic Recovery Programme in stimulating the economy is to make invest-

ments attractive and also to solve the acute liquidity problems facing the economy in these transitional period.

He stated, "You as bankers know the investors problems more than I do for it is important to preserve the gains of macro-economic reforms of the government as well as seriously addressing ourselves to the adverse effects of the policies".

Mr Adei called for a competent permanent national economic think tank as a minimum prerequisite while using IMF — IBRD and other experts to complement equally capable local expertise.

Anything short of this, he said results in a situation where the terms of agreements will be drafted, negotiated and implemented by other parties as is done in some developing countries.

Mr Adei indicated that the success of the code will depend on the regulations to develop operational yardsticks while the competence of personnel of the

centre will also determine the quality of their advisory role.

He said the past five years has seen the resignation of several of the technical staff of the centre not only to travel abroad but to leave and work with other financial institutions due to poor service conditions.

Describing the code as one of the economic instruments of government policy, Mr Adei said its success will be conditioned by fiscal and monetary policies of the government, the stability of the socio-economic system of the country, the opportunities to make genuine profits and freedom to enjoy one's labour as well as the level of industrial peace in the economy.

"It is in the light of these that we must judge an investment code," Mr Adei concluded.

At the time of going to press, it had not been possible to contact the Secretary for Finance and Economic Planning for his comment on this utterance.

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CSO: 3400/282

GHANA

FOREIGN SECRETARY OBED CALLS FOR DONOR AID

Accra PEOPLE'S DAILY GRAPHIC in English 5 Oct 85 pp 1, 4/5

[Article by Eugene Forson]

[Text]

**GHANA has appealed for more assistance from donor countries to supplement its efforts in reviving the economy.**

The Secretary for Foreign Affairs Dr Obed Asamoah, told the U.N. General Assembly on Thursday that the Ghana Government had made "strenuous efforts" through the implementation of policy adjustments to improve the national economy.

"While some international support which we acknowledge with appreciation has been forthcoming, this falls far short of levels required and is still not commensurate with the sacrifices of the Ghanaian people," Dr Asamoah declared.

A third Ghana consultative group meeting organised by the World Bank is to be held in Paris next month. Donor countries, financial institutions and aid agencies expected at the conference will be making new pledges of aid. It is not immediately known how much Ghana is looking for.

Dr Asamoah told the General Assembly in the

world debate: "Unless the international community seriously complements our efforts the statements of support we have heard will have a painful and bitter ring not only in our ears but also in the ears of all those who are also striving to improve their economic lots."

Dr Asamoah also said the international community should address itself urgently to Africa's developmental needs while "continuing its commendable efforts" to meet the remaining emergency requirements of drought stricken states.

He said it was time for developed countries to translate their statements of support and concern into actual commitments of resources. The Foreign Affairs Secretary again stressed that these countries bore "special responsibility" to complement adjustment efforts already made by African and other developing countries through measures to facilitate restoration of financial flows, alleviation of debt burden and improvement of commodity prices.

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CSO: 3400/277

GHANA

## UNCOMPLETED PROJECTS ADOPTED BY GOVERNMENT OFFICES

Accra PEOPLE'S DAILY GRAPHIC in English 8 Oct 85 pp 1, 5

[Article by Imoru Yakubu]

[Text]

**THE Offices of the Coordinator, Investigations and Tribunals and the Revenue Commissioners have jointly adopted 10 uncompleted projects dotted in the 10 regions of the country for completion.**

As a result, the offices have attached an official to each of the 10 projects to ensure their completion.

The projects include KVIP places of convenience, school buildings, rural houses for workers and market stalls.

The adoption of the projects followed the PNDC's request to Secretaries of State to adopt uncompleted projects and ensure their completion.

This was disclosed to newsmen by a member of the Office of the Coordinator, Investigations and Tribunals Togbui

Dzekley VII, when he visited an uncompleted six-classroom block at Nayagnia near Navrongo in the Upper East Region which the office has

Togbui Dzekley who is also a Paramount Chief of the Battor Traditional Area further disclosed that each official attached to any of the projects would evaluate it and submit a report to both the Ministry of Finance and Economic Planning and the Ministry of Works and Housing for necessary assistance for the completion of the project.

Asked why the Nayagnia project could not be completed since it was started in 1978, the chairman of the Town Development Committee (TDC), Mr S. P. Weejong, explained that the project which started through communal labour had to be stopped because of a conflict between the then PDC and members of the TDC.

According to him, the project was abandoned at the foundation level when the two parties could not compromise a misunderstanding.

The chairman, however, expressed his preparedness and that of his people to assist Togbui Dzekley to complete the adopted project.

The six-classroom block was initially estimated to cost ₦100,000 but officials of the Social Welfare and Community Development who were present at the site said more than ₦2 million would now be needed to complete the project.

Meanwhile, Togbui Dzekley has appealed to all Ghanaians connected with all the adopted projects to bury their differences and create a healthy atmosphere for the execution of the task.

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CSO: 3400/280

GHANA

## A. LANG PROBE REVEALS CORPORATE CORRUPTION

Accra PEOPLE'S DAILY GRAPHIC in English 7 Oct 85 pp 4/5

[Text]

**THE sub-committee of the National Investigations Committee which probed allegations against the management and board of directors of A Lang Limited has submitted its report to the government.**

The committee found that between 1970 and 1984, the actual tax liabilities of A Lang were evaded through the operation of a number of accounting devices, the manipulation and falsification of accounting books, and deliberate disregard for proper accounting procedures.

The committee further found that profits made by A Lang were deliberately reduced by the artificial inflation of budget costs through the creation of fictitious transactions.

Some of the devices used by the company included payment of non-existent persons and enterprises for the alleged supply of unspecified materials to various construction sites, the creating of enterprises by the directors to which monies were paid for services allegedly rendered to the company, the use of inter-branch debits which recorded non-existent purchases by one branch of the company for another for which payments were made, and the recording of transactions under curious and dubious accounting headings.

For example, on one job, categories of expenses were differently recorded as site expenses, additional site expenses, miscellaneous expenses and consultation fees.

All these, in fact, represented monies expended by the top management.

The investigation also disclosed that the company had over the years written off for tax purposes as bad debts, monies owed it for jobs done for several prominent Ghanaians including late Dr K. A. Busia, Mr R. A. Quarsie, Mr K. A. Gbedemah, late Mr Krobo Edusei, late Mr Imoro Egala, Mr E. K. Mintah, Dr Agble, Mr K. Anane Binfo, Colonel George Slater, late Lt-Gen F. W. K. Akuffo, Mr E. K. Nkrumah, Mr G. K. Turkson, and Mr Maxwell Owusu.

The committee also discovered the existence of a secret account referred to in the company's correspondence as the 'Norm' account in which secret profits for tax purposes were kept.

Between 1981 and 1984 alone, the Norm account was used to siphon off a total of ₦21,241,959.

Between 1978 and 1980, the company abused the exemption facility granted to the Crop Research Institute for the importation of materials for the construction and equipping of the Nvankpala Agricultu-

ral Research Station by bringing in dutiable items for the use of the company and private individuals.

These included building materials for the private house of Dr Agble, the Director of the Crop Research Institute, swimming pool equipment for Dr Werner Lang's residence, and cartons of wine, provisions and various spare parts.

Again when the company, owing to extreme shortage of building materials, was permitted to procure up to DM 5,025,000 materials, machinery and various spare parts, the company obtained customs exemptions by falsely misrepresenting the items as having been sent free by the West German government in accordance with the Technical Agreement.

The committee has also established the existence of an unholy relationship between A Lang Limited and three Swiss registered companies — Witschi Ltd, Witschi International Company and Waretex Ltd.

Although none of the companies is registered in Ghana, they have regularly supplied items ranging from spare parts to food items to A Lang.

Even though the imports originated from Europe, they were all covered by cedi invoices which the available evidence puts

at ₦12,156,885 based on black market rates.

The companies did not have agents in Ghana. A Lang has, however, over the years bought a total of ₦9,884,586.46, leaving a balance of ₦2,272,298.73 to their credit in the books of A Lang Limited.

Mr Alfred Lang, a director of the company, left Ghana in 1979, and has not returned to Ghana since. During all these years of absence, however, he transmitted his passport per special messenger every year to the Immigration Department for renewal of his residence permit, thus, creating the impression that he was resident in Ghana and thereby possibly evading payment of Swiss taxes.

Three officials of the Immigration Department, Messrs Martin Attitsogbui, Dovie J. Koomson and G. K. Gyama-Addo, routinely renewed the residence permit even though a simple inspection of the passport would have revealed that Alfred Lang was never in Ghana.

This device also enabled the personal remittance quota of Mr Alfred Lang to be regularly transferred to him in Switzerland.

Between August, 1979 and September, 1984, SFR-68,826.35 was regularly transferred to him using this device.

A Lang Limited also illegally made transfers to Dr Werner Lang and Walter Merz, both children of the principal expatriate shareholders, without the approval of the Investment Policy Im-

plementation Committee in violation of the provisions of the Investment Policy Decree, NRCD 3129.

Government has accepted the findings and recommendations of the NJC and has directed as follows:

The amount of ₦43,239,463.47 representing among others, Builac consultancy fees, credits to directors' personal accounts and inter-branch debit notes be taken as additional income of the company and taxed notes be taken as additional income of the company and taxed accordingly with appropriate penalties.

The following directors and top management of the company, Alfred Lang, Karl Merz, Dr Werner Lang, Walter Merz Eric Stuber, Neinz Ammer, Helmut Kolakowski and Peter Haller are to appear before the ORC for vetting.

The Director of Crop Research Institute, Dr Agble and A Lang Limited are to be held jointly and severally liable for payment of customs duties assessed in addition to the penalty totalling ₦8,442,249.52.

Dr Agble is to be redeployed in a non-executive position.

Since the three Swiss companies — Witschi Ltd., Witschi International Company and Wareltex Ltd. did not have agents or representatives in Ghana but did business with A Lang Ltd., the company deemed to have been agent of the three Swiss compa-

nies are to pay tax on the business they did which turnover amounted to ₦12,156,885.19.

The balance of the proceeds of the trade amounting to ₦2,272,298.75 still reflecting in the books of A Lang Ltd be confiscated to the state in accordance with section 52 of PNDC Law 42.

Six vehicles imported into the country under the deal are confiscated to the state.

A Lang is to be held liable for the repatriation of an amount of Swiss Franc 85,882.35. They are entitled to by virtue of work done as sub-contractors for Witschi Ltd. in respect of the Kpong-Tamale project.

A Lang is held responsible for the repatriation of Swiss Franc 68,826.35 being illegal transfers to Alfred Lang between 1979 and 1984.

Immigration officers, Martin Attitsogbui, Dovie J. Koomson and G. K Gyama-Addo are to be disciplined for laxity in the performance of their official duties. It is noted that they have already been dismissed from the Immigration Department by the Secretary for Interior.

The case docket in respect of Alfred Lang, Karl Merz George Capecha, Werner Austin Lang, Walter Merz, Peter Isch, Peter Brunold and all persons involved in the illegal trade and transfers are to be referred to the Office of the Special Public Prosecutor for prosecution before the public tribunal—GNA.

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GHANA

## BOTCHWEY CALLS FOR EFFECTIVE ECONOMIC LEADERSHIP

Accra PEOPLE'S DAILY GRAPHIC in English 16 Oct 85 pp 1, 4/5

[Text]

**THE Secretary for Finance and Economic Planning, Dr Kwesi Botchwey, said in Accra yesterday that Africa is in dire need of effective and purposeful leadership in its negotiations with the International Monetary Fund (IMF), the World Bank and other donor institutions.**

This, the Secretary explained, will compel these donor institutions to soften their stand in the debt servicing obligations of Africa and strive to increase resources made available to the various countries on the continent.

The Secretary was speaking to newsmen on his arrival at the Kotoka International Airport from Seoul, South Korea, where he led a three-man economic delegation to the just-ended 40th annual conference of the World Bank and IMF.

The Secretary said he felt the effective African leadership was necessary because while the Latin American countries were very cohesive and spoke with one voice at the conference concerning their debts and the need for an increase in their resources, Africans lacked this quality

and appeared disorganised.

This gave the impression that African crises were over despite the continued famine and poor economic situation, adding that he will not be surprised if the donor countries tend to concentrate on the Latin American countries.

On the conference itself, Dr Botchwey said it dwelt on the seriousness of the debt situation in the Third World, the net outflow of resources to the developing countries and the protectionist policies of the developed countries.

In the light of these, he said a group of 24 developing countries called for more aid from the advanced countries, the removal of protectionist measures and soft loans from donor institutions.

In view of the dwindling resources of the IMF and the capital base of the World Bank, the developing nations called for increased provision of resources to the two institutions by the developed nations but the Secretary pointed out that the United States resisted this on the basis of the 29 billion dollar proposal it made for developing countries.

According to the Ameri-

can proposal, 20 billion dollars was to be loaned to developing countries by commercial banks while the World Bank and other donors were to make available nine billion dollars, the Secretary said, adding that the proposal was inadequate since developing countries needed soft long-term loans which the commercial banks will not provide.

Dr Botchwey said Ghana held preliminary discussions with the IMF and the World Bank on the content, structure and the form of future relations concerning the assistance Ghana is receiving for her economic and developmental efforts.

Dr Kwesi Botchwey said the prospects for a continued World Bank/IMF lending to Ghana were bright particularly with regard to support for the three-year development plan to be launched at the end of the first phase of the Economic Recovery Programme in December.

The Secretary cautioned, however, that in view of the fast diminishing resources of the world, lending bodies and the competition for such scarce resources, there was a great need for an internal mobi-

lisation of resources for the development programme whilst efforts were being made with the two institutions to close the gap between the low income earnings and increasing prices.

The Secretary said he discussed with the two financial institutions and other donors about the prospects of the next donors consultative meeting on Ghana in Paris next month and said the responses were good even though some of the committed resources in the two previous donors meetings had not yet been utilised due to technicalities.

Dr Botchwey explained that some of the areas to be looked into critically during the next donors conference are tourism, oil exploration, education, health and a continued support for the export and industrial sectors.

The other two members of the delegation, Mr Ato Ahwoi, Secretary for the Revenue Secretariat and Dr J. S. Addo, Governor of Bank of Ghana, are yet to return.

Mrs Theresa Owusu, Under Secretary for Finance and Economic Planning, met Dr Kwesi Botchwey on his return.

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GHANA

BAN ON BORDER LAND SALE, LEASE TO ALIENS CALLED FOR

Accra GHANAIAN TIMES in English 18 Oct 85 pp 1, 3

[Article by Kush Agudetse]

[Text] The Jasikan District Secretary, Mr U.S. Clarke, has advocated a law making it an offence to sell or lease land along the borders to aliens for cocoa farming.

He also suggested that the law which gives aliens leasehold for 50 years after which the lease forfeits any right of leasehold should be rigidly enforced.

These two measures, he said, were needed to minimize the high rate of cocoa smuggling from Ghana.

Speaking at the launching of the Volta Regional cocoa spraying and anti-smuggling exercise here on Monday, Mr Clarke called on the COCOBOD to intensify its feeder road programme, especially along the borders to allow accessibility to the cocoa growing areas.

The Secretary noted with concern the situation where cocoa farmers had the least access to bank credit facilities as a result of which they were forced to fall on money lenders who took their farms as pledges for meagre sums of money.

He, therefore, called on the GAFACO-OPS organizers of the function to arrange with the COCOBOD to consider opening the main cocoa season earlier so that the farmer could at least obtain some funds to pay their children's school fees.

In an address, Flt-Lt Joe Atiemo, Deputy Chief Executive (Operations) of the COCOBOD, announced that the Board was considering an insurance cover for cocoa, coffee and shea-nut farmers.

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GHANA

## EXPORTS EXCEED IMPORTS FOR FIRST TWO QUARTERS

Accra PEOPLE'S DAILY GRAPHIC in English 7 Oct 85 pp 1, 5

[Text]

**GHANA imported goods worth ₦18,586 million during the first six months of this year while her exports amounted to ₦18,607 million during the same period.**

Corresponding figures for the same period last year shows that the country's imports were worth ₦18,981 million while the exports amounted to ₦9,591 million. These figures show that the first half of the year 1985 ended with a surplus of ₦21 million on commodity trade compared with the surplus of ₦610 million during the corresponding period of 1984.

According to "Statistical Newsletter" of the Central Bureau of Statistics (CBS), the year 1985 started with a large deficit of ₦1,532 million in January but it declined to

₦134 million in February.

However, in March, 1985, Ghana had a surplus of ₦1,333 million on her commodity trade and it was followed by a surplus of ₦310 million in April.

In May, 1985, however, she recorded a deficit of ₦842 million but it was followed by a surplus of ₦886 million in June, 1985.

Out of the total exports of ₦18,607 million during the first half of 1985, cocoa beans accounted for 71.8 per cent and cocoa products formed 4.1 per cent.

The exports of gold accounted for 11.8 per cent while the exports of electricity(excluding the sales to VALCO) formed 4.7 per cent of the total value of commodity exports. The percentage share of diamond, manganese and bauxite was 0.2, 1.3 and 1.5 respectively.

On the other hand, out of the total imports of ₦18,586 million during the same period, the imports of crude petroleum (excluding the purchases of the domestic crude petroleum) accounted for ₦5,263 million or 28.3 per cent.

The newsletter observed that the value of imports and exports were much higher during 1985 compared with the corresponding months of 1984. This was partly due to the fact that the value of the cedi was adjusted significantly several times during these years.

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CSO: 3400/277

GHANA

## COCOA PRODUCTION ESSENTIAL FOR ECONOMIC RECOVERY PROGRAM

Accra PEOPLE'S DAILY GRAPHIC in English 12 Oct 85 p 8

[Article by E.A. Andam]

[Text]

**COMMODORE Steve Obimpeh, chairman of the National Mobilisation Programme (NMP), has reminded cocoa workers and farmers that the success of the cocoa rehabilitation programme which was launched in 1983 is a very crucial factor in the government's Economic Recovery Programme (ERP).**

He explained that the crop whose production has been experiencing a steady decline over the last 10 years, is the back-bone of the country's economy.

He was addressing a rally for farmers, and cocoa workers at Agona Duakwa after launching this year's Central Regional mass cocoa spraying exercise on a 35-hectare farm at Yawdade near Duakwa on Thursday.

The chairman noted

that one of the most important factors militating against the upward trend of the cocoa industry is its heavy dependence on migrant labour, and advised that a measure be instituted to ensure that labour and manpower remained in the rural areas to engage in productive agricultural pursuit, including cocoa production.

He said it is in that respect that he highly commends the volunteers, who have since the launching of the rehabilitation programme been together to assist the nation's ageing farmers to rehabilitate their cocoa farms.

The chairman noted that if the volunteers and other young people could remain in the rural areas and farm and also provide labour for the cocoa industry, remarkable results could be achieved in the

quest to improve the industry.

Togbe Kwesi Sasraku II, the national president of GAFACO-OPS, who also addressed the gathering, noted the damage that smuggling is doing to the country's cocoa industry.

He said it is heart-breaking to read from the dailies that spraying machines and insecticides which were imported with the nation's limited foreign exchange to boost production of cocoa were being smuggled to neighbouring countries who have outstripped Ghana in the production of the crop.

Togbe Sasraku said these acts of sabotage have far-reaching implications as they mean using what is left of the country's meagre foreign exchange to help other nations develop.

He asked that all those caught in such acts should not be spared.

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CSO: 3400/277

GHANA

## NORTHERN REGION REPORTS MIXED CROP YIELDS

Accra PEOPLE'S DAILY GRAPHIC in English 12 Oct 85 pp 1, 4

[Text]

**IN spite of the destruction of several hectares of rice fields at the Kattanga Valley and Nasia, by floods, the Northern Region is poised for a good rice harvest this season.**

However, maize production in the region will fall drastically this season due to the heavy rainfall which has destroyed maize farms in the valleys.

This was disclosed to the Ghana News Agency in an interview in Tamale yesterday, by the Northern Regional Agriculture Officer, Mr Stanley Y. Anane.

He said out of a targeted 30,000 hectares of rice, the region cultivated 27,000 hectares.

He said the target could not be reached because farmers who ploughed a bit late could not get into their fields to plant because they became water-logged with the sudden heavy rains.

Mr Anane, who is also the acting regional director of agriculture, explained that the only fear now would be that if most farmers planted the early maturing variety of rice and still had water in their fields at the time of harvesting, then it would pose a serious set back for, as he put it, "the rice will shatter".

On maize, he said because of previous years' experience, many farmers planted in the valleys and when the rains fell heavily, the farms were destroyed.

Mr Anane said the region's target was 57,000 hectares but cultivated only 41,500 hectares.

In the meantime, he said the Economic and Marketing Research Department of the ministry has been requested to survey all farms to find out the actual hectares which would be harvested.

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CSO: 3400/277

GHANA

## FOOD OUTPUT EXPECTED TO EXCEED TARGET

Accra PEOPLE'S DAILY GRAPHIC in English 4 Oct 85 pp 1, 5

[Article by Albert Sam]

[Text]

### **DR. I. K. Adjei-Maafo Secretary for Agriculture, has announced that the country exceeded all but one of the 1985 national targets set for agricultural crops.**

He described the general food output this year as exceptionally encouraging compared to what was regarded as a bumper harvest last year.

Dr Adjei-Maafo announced this at a farmers' rally at Abofouri in Ashanti Wednesday.

He gave statistics to support his claim and attributed the break-through to good rains, efficient and effective implementation of the government's agricultural programme and the fortitude and co-operation of farmers.

According to the Agriculture Secretary, cassava production this year exceeded last year's by 300,000 metric tonnes; yams by 50,000 metric tonnes; both plantain and cocoyam production shot up by 50 per cent while rice output rose from 60,000 to 95,000 metric tonnes.

He said groundnuts, millet, beans and other crops recorded remarkable increases. However, there is an anticipated marginal drop in maize production following a decrease in the number of hectares cultivated this year as against last year.

Dr Adjei-Maafo explained that in spite of this, maize yields were very encouraging and that the anticipated drop would not have any significant impact.

In the area of industrial crops, Dr. Adjei-Maafo said from a position of an importer in respect of oil palm, in the 1970s Ghana's production had steadily risen from 13,000 metric tonnes in 1982 to 42,000 metric tonnes as at last month.

He explained that with the country's annual requirement of 39,000 metric tonnes and prospects of even increasing output in the succeeding years, indications were that Ghana would export oil palm as from next year in addition to maize and yam.

The Agriculture Secretary attributed the success story of the oil palm industry to the government's policy of massive rehabilitation of neglected state oil palm plantations most of which have been redeemed from semi and virtual forests and have started bearing fruits.

He explained further that an export scheme was being worked out by the Ghana Export Promotion Council (GEPC) in such a way that exporters will be compelled to use part of their earnings in the interest of producers instead of cheating them.

The Agriculture Secretary emphasised that the provision of food storage and preservation facilities were seriously being tackled and stressed that the export drive was meant to avoid waste in the system.

Dr. Adjei-Maafo said the groundnut situation was encouraging apart from the problem of drying and noted that efforts were being made to bring in driers to solve this perennial problem of groundnut producers.

He announced that the ministry has in stock a limited quantity of Wellington boots for farmers and recognising their exposure to poisonous reptiles in their operations, the ministry had ordered more of the boots and also made provision in its import programme to enable all farmers to benefit from it.

The Secretary paid glowing tribute to Ghanaian farmers for their hardwork and said as reciprocal gesture, the ministry was seriously considering the introduction of a massive export programme next year to enable farmers to derive maximum benefits under the export retention policy to boost their morale to step up production.

The rally was organised by the Ghana Food Distribution Corporation (GFDC) primarily to educate the farmers on the need to sell their farm produce to the corporation and also to make available to the farmers goods, including wax prints, matches, machetes and sugar worth ₦1.2 million.

The Managing Director of the corporation Dr. P. A. Kuranchie disclosed that three new depots will be opened in the Abofouri area next week to facilitate maize purchases.

He also announced that because of the area's excellent performance in maize production an additional silo will soon be installed at Abofouri under the European Economic Community (EEC) sponsored maize drying and storage project.

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GHANA

BUMPER MAIZE CROP EXPECTED ON YUGOSLAV ASSISTED PROJECT

Accra PEOPLE'S DAILY GRAPHIC in English 7 Oct 85 p 8

[Text]

**THE Kumawuman Industrial Farms Complex (KIFCOM) expects to harvest 24,000 mini-bags of maize on its pilot 26,000 hectares agro-based project at Drobeneo-Ashanti.**

The managing director of the company, Mr K. K. Kwayie announced this to newsmen when 257 drivers now being trained as lorry park guards and volunteers from Kumawu, Bodomase, Besoro, Woraso and Wonoo assisted in harvesting the maize on the farm at the week-end.

They were mobilised by the Ashanti Regional Administration, the Kumawu Traditional Council and the maize evacuation committee to assist KIFCOM which is a joint agro-based project of the traditional council and the Social Security Bank (SSB) with technical assistance from PKB Agro-Engineering of Belgrade, Yugoslavia.

Mr Kwayie explained that over 150 hectares of the 256 hectares of maize it planted has not been harvested because of rains in the area.

He announced that when the project, estimated at over one billion cedis is completed, it would give employment to over 5,000 workers who would be resettled at the project site.

Barima Asumadu Sakyi II, Omanhene of Kumawu Traditional Area commended the GPR TU for assisting in the harvest and also releasing 10 trucks to cart the volunteers to the farm free of charge.

He said the project which is one of the biggest agro-based projects in Africa is of economic importance to the traditional area and the nation and called on the people of the area to render every assistance in harvesting the maize.

Barima Sakyi also commended Yugoslav experts on the farm for their expertise and hard work.

Mr Kwame Adomako, zonal coordinator of the maize purchases and evacuation programme who mobilised the volunteers, assured them that every effort would be made to assist in harvesting the maize. — CNA.

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CSO: 3400/280

GHANA

## FRENCH TO RENOVATE OBUOM MINES

Accra PEOPLE'S DAILY GRAPHIC in English 18 Oct 85 pp 1, 5

[Text]

**THE Ministry of Lands and Natural Resources has granted a Ghanaian minerals prospecting company licence to reactivate the Obuom Mines near Lake Bosumtwi in Ashanti Region.**

Disclosing this to the Ghana News Agency in Accra yesterday, Mr Peter Gasper Donkor, managing director of D.G. Peter Agencies Incorporated, said his company received the licence to rehabilitate the mines closed since 1939 in July this year.

He said the reactivation would be carried out with assistance from a French company — Bureau de Recherches Geologiques et Minieres (BRGM) of Paris.

The whole project, phased into a three-year period, would cost an estimated 40 million French Francs.

Mr Donkor said a ceremony, including a durbar

of the chiefs and people in Amansie East to mark the beginning of work, would be held soon at Obuom 45 kilometres south east of Kumasi.

Other areas to be covered are Dakabouso and Obuoso, both in the Amansie East District.

Mr Donkor said the first phase costing six million French Francs would involve complementary exploration works and the second phase would include drilling, technical and economic studies.

The third phase will be the main feasibility study involving evaluation of surface and underground works, analysis and laboratory studies in the project area spanning 129 square kilometres.

The third phase will cost 20 million French Francs.

He said the initial studies have shown encouraging results and local and overseas banks have expressed interest.

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CSO: 3400/276

GHANA

## WOOD, PRODUCTS DESTINED FOR EGYPT, TUNISIA

Accra PEOPLE'S DAILY GRAPHIC in English 8 Oct 85 pp 1, 4

[Article by Kojo Sam]

[Text]

**EGYPT and Tunisia have expressed interest in buying wood and wood products from Ghana.**

This is the outcome of fruitful discussions between a two-man Ghanaian timber delegation which visited the two North African countries for 18 days at the invitation of the Association of African Trade Promotion Organisation (AATPO), based in Tangiers, Morocco.

Speaking in an interview in Accra yesterday on the outcome of the trip, the leader of the delegation, Mr Timothy Adjetey, said GAT International, an Egyptian timber firm, has already followed up the discussions and written to the Ghanaian delegation for price quotations of Ghanaian timber products.

The Egyptian Chamber of Commerce has also requested for quotations for sapele and walnut.

Tunisia, Mr Adjetey further disclosed, has also asked the Ghana Timber Marketing Board (GTMB), to put up tenders for the sale of timber species to enable Tunisia to assess the volume of timber it can import from Ghana.

Mr Adjetey, who is the Managing Director of Modern Furniture Limited and president of the Ghana Furniture Producers' Association (GFPA), further announced that Tunisia also expressed the desire to import railway sleepers from Ghana.

He said the two countries discussed the possibility of importing knocked-down furniture from Ghana in the future. The Egyptian Co-operative Society for Furniture Makers was particularly interested in dealing with the GFPA in knocked-down furniture.

Mr Adjetey explained that during the tour of the two countries, the delegation observed that the potential market in North Africa for Ghana's wood and wood products is very great and the country would have to explore the avenue to boost her Economic Recovery Programme (ERP).

"If we are able to break through the North African market, we can expect a lot of foreign exchange for the nation," he stressed.

Mr Adjetey, therefore, called on the government to send a follow-up delegation to the two countries to concretise the discussions on trade prospects.

The other member of the delegation was Mr Osei Agyemang, Deputy Managing Director of Western Timbers at Takoradi.

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MADAGASCAR

BRIEFS

RATSIRAKA IN BEIJING--An economic and technological co-operation agreement was signed between China and Madagascar on October 5 at the end of the official visit to Beijing by Malagasy president Didier Ratsiraka, his third. During his stay he had talks with President Li Xiannan, Prime Minister Zhao Ziyang and China's top leader Deng Xiaoping, the architect of current reforms which are of great interest to Madagascar. [Text] [Paris THE INDIAN OCEAN NEWSLETTER in English 12 Oct 85 p 3]

FRANCE SWELLS FLEET--France has just made a gift to Madagascar's navy of a tank and infantry landing craft which was formerly in service in French Polynesia and the nuclear test site of Muroroa atoll. The hand-over was the occasion for a big ceremony at the port of Antsiranana (the former Diego Suarez) on September 29. In a speech, Madagascar's defence minister Guy Sibon put the total amount of French military aid to Antananarivo since 1983 at 34,952,000 French francs. France's ambassador to Madagascar, Alain Bry, expressed the view that "the development of military co-operation is a sign of the essential trust the two peoples and their governments place in each other. [Text] [Paris THE INDIAN OCEAN NEWSLETTER in English 12 Oct 85 p 3]

ABATTOIR PLAN SUNK--For the second time in succession of the European Economic Community's economic development fund has refused to finance the project to renovate the abattoirs of Antananarivo, Mahajanga and Morondova. The fund's financial participation, evaluated at 7.57 million ECUs (5.53 million dollars) was essential for the project to be carried out. I.O.N.--This decision will have serious consequences for Madagascar. The resumption of meat exports to EEC countries, which had been suspended since last July 1, depended on the rehabilitation of the abattoirs concerned. In their 1984-87 public investment programme the Antananarivo authorities calculated that beef exports would increase five-fold by 1987. [Text] [Paris THE INDIAN OCEAN NEWSLETTER in English 12 Oct 85 p 7]

PLATEAU PROJECT--The project to open up and develop in an integrated fashion the Mania plateau basin in central Madagascar could soon get under way. The scheme has been drawn up by the Malagasy AVEAMM association, which is sponsored by the FFKM, the Ecumenical Federation of the Christian Churches of Madagascar (see I.O.N. N° 188). Several non-governmental

organisations recently visited the site, including Devtour, the Fondation Fert (French cereal-producers), the French Secours Catholique, the Foundation de France, the Dutch ICCO, and Cathwell of the United States. With a number of "miniprojects" defined, AVEAMM and the Malagasy FIADEM foundation which represents it abroad should be in a position to receive initial funds. A delegation has met Prime Minister Desire Rakotoarijaona twice.  
[Text] [Paris THE INDIAN OCEAN NEWSLETTER in English 12 Oct 85 p 7]

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CSO: 3400/297

MAURITIUS

BRIEFS

MALAYSIAN AGREEMENT--Malaysia is to provide Mauritius with technical assistance in carrying out projects covering the production of palm oil, rubber and wood. A bilateral agreement on air links is also in preparation. These are the two principal results of a five-day visit to Kuala Lumpur which the Mauritian minister for education, Armoogum Parsooramen, has just undertaken. [Text] [Paris INDIAN OCEAN NEWSLETTER in English 12 Oct 85 p 8]

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CSO: 3400/297

SOUTH AFRICA

PROFESSOR SEES TUTU IN ROLE OF MEDIATOR

Cape Town THE WEEKEND ARGUS in English 12 Oct 85 p 14

[Article by Frans Esterhuyse]

[Text]

**WRITER** and philosopher Professor Adam Small says a mediator is needed to resolve the communications logjam between warring groups in the unrest and to get effective negotiations off the ground..

He said in an interview there was no better man for such a role than Nobel Peace Prize winner Bishop Desmond Tutu who had, in fact, declared his readiness to do so.

Professor Small, head of the department of social work at the University of the Western Cape, said power was a difficult commodity when it came to seeking agreement about it. Everybody wanted power on his own terms only.

"Obviously, therefore, the present situation requires mediation. I think it is rather foolish of either the present regime or, for instance, a grouping like the PFP to rely on Chief Mangosuthu Buthelezi and Inkatha because there you have one of the power-seeking forces in this whole constellation," he said.

"The only very visible person who may be able to handle this kind of situation is Bishop Tutu. It is crystal clear that personal political ambition is not his scene.

"He is precisely the kind of man, given also his stature in the world at this time, who one needs to try to open up all the blocked lines of communication between different groupings."

This meant the Government would have to climb down from its position of intransigence.

"Instead of adopting a silly attitude towards someone like Bishop Tutu, there should be a willingness to start talking to him."

This was an initiative the Government would have to take since it was in power. President Botha's earlier failure to receive Bishop Tutu for talks was "a disastrous step."

**Right person**

Bishop Tutu was the right person for the role of "honest broker" in immediate negotiations to end the present violence and unrest as well as in long-term negotiations for resolving the causes of tension and finding an acceptable deal for all in South Africa.

Professor Small said he admired Bishop Tutu for "coming out squarely on the side of a philosophy of anti-violence." The Bishop had risked his life and his popularity in taking this stand.

To create the right atmosphere for effective negotiation, the police and troops would have to be withdrawn from the townships. Detainees would have to be released from prison. Discussions were not possible in terms of an inequality where people were detained.

Professor Small said President Botha's statement that the National Party was committed to the principles of a united South Africa, one citizenship and a universal franchise, had to be read in the context of the NP's philosophy of apartheid.

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CSO: 3400/292

SOUTH AFRICA

## CONFIDENCE IN FUTURE GRIM

Johannesburg THE CITIZEN in English 24 Oct 85 p 18

[Text] CONFIDENCE in the future of South Africa, among Blacks as well as Whites, is at its lowest level in years, a survey has found.

Optimism among Whites has dropped from a high of 74 percent in 1977 to the present 47 percent. The figure for Blacks is much lower — 24 percent, down from 61 percent in 1979.

The survey was conducted among a sample of 800 Whites and 800 Blacks in urban and rural areas.

Financial hardship was listed as one of the main reasons for the widespread pessimism. Forty-six percent of Whites and 73 percent of Blacks said they were financially worse off today than in the past.

Only 24 percent of Whites and six percent of Blacks expect to be better off in a year's time.

Race relations is another problem area. Only 28 percent of Whites and 11 percent of Blacks interviewed believed the various groups got on well. Most believed the relationship was deteriorating rather than improving.

Blacks cited the following reasons for this deterioration:

• Low wages which do not keep pace with increases in the cost of living;

• The shortage of land and houses;

• Violence;

• Crime;

• Poor standards of education;

• Poor standards of living enjoyed by

the rich;

• Racism;

• Poor services;

• Poor attitude toward Blacks.

Only 11 percent believe the President is doing fairly well, this is down from 26 percent in 1979.

86 per cent believe the President is doing poorly.

CSO: 3400/249

SOUTH AFRICA

SACC BLOCK AID FOR KWAZULU

Johannesburg THE CITIZEN in English 24 Oct 85 p 4

[Text] THE SA Council of Churches is blocking Western church aid for "humanitarian" projects in KwaZulu because of the rift between the SACC's leadership and Chief Minister Mangosuthu Buthelezi.

The latest issue of "Clarion Call", published by KwaZulu's Bureau for Communications, highlights the situation. "The SACC spokesman accused him (Buthelezi) of being 'something most vile' — they accused him of Christian and political treachery in a sustained and orchestrated campaign because he had chosen to work with his people in KwaZulu," an article in the magazine said.

"It was forgotten that he opposed the South African Government at every turn, that he blocked so-called 'independence' being foisted on the region," it stated.

"The joint screening committee of the SACC was the primary tool used by the SACC to block Christian aid for the programmes of self-help development which KwaZulu and Inkatha were attempting to foster," it continued.

It goes on to quote Chief Buthelezi as making an appeal to the Western churches to avoid being drawn into Black versus Black conflicts in South Africa and to assist Inkatha in pursuing "those things in its aims and objectives with which

the West agrees."

SACC reports show that the organisation funds scores of self-help projects in South Africa through the millions of Rands in donations it receives annually from donor organisations in the West, particularly West German churches.

Because of problems in recent years, relating to accountability of funds given to various projects, a system of screening the applicants for approval for aid was introduced by the SACC.

But the article makes it quite clear that Chief Buthelezi believes the funds are being deliberately withheld for political reasons.

CSO: 3400/249

SOUTH AFRICA

RURAL TRANSVAAL BLACKS HOLD REMOVALS PLAN PROTEST

Johannesburg THE CITIZEN in English 24 Oct 85 p 11

[Text] REPRESENTATIVES of seven Black Transvaal communities, affected by the Government's homelands consolidation plan, met in Johannesburg yesterday in protest against removals or restructuring homeland boundaries to include them.

The meeting and Press conference was organised by the Transvaal Rural Action Committee (Trac) who slammed the consolidation proposals as a grim reminder of what seems to be an unshakable determination to go ahead with the Bantustan policy as a central tenet of the grand apartheid vision.

The new proposals were criticised as "land juggling for the benefit of homeland leaders at the expense of the people," and a system of "prizes and punishment being dished out by the South African Government to more or less favoured Bantustans."

Among the new proposals are:

● 100 000 Pedi from Moutse are to be removed into KwaNdebele where they will be an ethnic minority;

● the ethnically mixed communities of Gewerfontein and Bloedfontein

are to be removed from their land and settled in KwaNdebele and the empty land transferred to Bophuthatswana;

● the Tswana community of Machakaneng on the border of Bophuthatswana is to be dispossessed of its land and moved even though it is prepared to be incorporated into Bophuthatswana.

The community representatives who met yesterday were from Machakaneng, Bloedfontein, Moutse, Acornhoek, Matoppestad, Motlatla and the Seheris of Rasekwestad.

All rejected outright any suggestion of moving their communities from their homes and land which they had occupied, in some cases, since the past century.

"Were the Government seriously reconsidering apartheid, it would surely allow the status quo to remain instead of starting a new plan to forcibly remove thousands of people", the Trac statement said.

While various "hopeful things" had occurred in South Africa over the past few months, including the State President's announcements of citizenship reform and the

recommendation that influx control be abolished, Trac said the new consolidation proposals had "smashed" all optimism.

"The proposals are bizarre not only because of their timing. They flout one of the most basic principles of apartheid — ethnic identity," it said.

It also accused homeland leaders of "complicity", without which the proposals could not go ahead.

In contrast to Chief Minister Mabusa of the Eastern Transvaal's stand against removals, which had saved various com-

munities, Trac said President Lucas Mangope could "no longer hide behind his argument that removals are the sole responsibility of the South Africa State."

Many Black communities were encouraged by the State President's citizenship announcement and wanted to remain formally resident in White South African to claim full citizenship in the future.

"The homeland consolidation proposals seem to be an attempt to prevent this and ensure that as many communities as possible lose their permanent residence and therefore political rights in the Republic of South Africa", Trac said.

CSO: 3400/249

SOUTH AFRICA

AUSTRALIA PREFERRED PLACE FOR EMIGRANTS

Johannesburg SUNDAY TIMES in English 13 Oct 85 p 11

[Article by Angus MacMillan]

[Text]

SIR Laurens van der Post says Australia is a dumping ground for failed South Africans.

Whether he is right or wrong is beside the point. Who am I to judge Prince William's godfather anyway?

What is pertinent is that the Australian embassy in Pretoria would possibly be bankrupt if its incoming calls were outgoing.

Industry constantly leads us to believe that there is a dire skills shortage, and it has certainly been exacerbated in recent months as hundreds of valuable people have said their farewells to the land of green and gold.

### Arm and leg

Many of those who have decided to seek pastures new have headed Down Under to what they believe is a land of similar climate and living standards.

It is costing most emigrants an arm and a leg to leave sunny SA, a major reason why emigration is only a trickle — thanks to a Mickey Mouse rand.

While net immigration outweighs emigration rates substantially, the gain for South Africa is more than 70% down on the halcyon days of 1981, when 40 000 immigrants took out permanent residence here.

Though the numbers of SA residents leaving the country are not substantial, inquiries

by potential emigrants are cause for concern.

### Nagged

The fact that thousands of people who had previously never contemplated making tracks are doing the rounds at embassies is a sign of the times.

Companies with international principals are being nagged for transfers, removal firms are being asked for quotes, radiologists are doing well out of chest X-rays, questions are being asked about the financial rand ... there is a long list of tentative moves by potential emigrants.

Most movement is coming from Johannesburg, according to removal firms and John Vorster Square's police-clearance bureau.

Police clearance is a requirement that most immigration authorities insist on before granting immigration visas.

### Clearance

Immigrants to SA have to provide proof that they are not entering the country with a string of criminal offences behind them.

A definite sign that workers in Johannesburg are nibbling at the scores of job offers from Australia which have appeared in appointments columns in recent months is the queue for police clearance.

Apparently the constable who takes applications for clearance at JVS Vorster Square and forwards them to Pretoria says it has never been so busy.

Whereas he used to busy himself with other matters like processing illegal immigrants, he has recently been handling 15 to 20 clearance applications a day, many of them destined for a place in an Australian embassy file.

Enough about those who are contemplating taking the gap, joining the chicken run or adding to the new breed of SA whenies.

What is perhaps more relevant to employers at this time of uncertainty is the effect SA's political and financial trauma is having on those who have no serious ideas of settling elsewhere.

Productivity, or rather the lack of this sought-after state, is accepted as one of our major problems in almost any sphere one wishes to name.

### Knock

How much it has been affected by the anti-SA lobby, boycotts, the state of emergency and general frustration and uncertainty caused by the plight of the rand and general economic woes can hardly be measured.

But there is no question that productivity has taken a knock and will continue to do so until people are no longer bombarded with bad news.

A big noise is made by personnel consultants about the cost to companies of job-hopping and staff replacement.

There is a winding-down period that hits an employee's work performance before he or she takes up a new job. It indirectly and often directly costs the employer.

### Wasted

The learning process and settling-in time that comes with new employees also knocks the bottom line.

Perhaps the personnel fundis should calculate how much time and energy are being wasted by people mulling over emigration or simply sulking over their lot in troubled SA.

Forget the lunchtime and after-hours chats at watering-holes. They would happen anyway with different subject matter.

Like businesses that are uncertain about what move to make next, individuals are experiencing the same dilemma — and they are day-dreaming about their plights and that of the country.



/9274

CSO: 3400/274

SOUTH AFRICA

**SPECIAL COURTS FOR BLACKS TO GO IN 1986 PARTY SESSION**

Johannesburg THE CITIZEN in English 23 Oct 85 p 10

[Article by Stephane Bothma]

**[Text]**

TWO new Bills aimed at abolishing the special courts for Blacks and at amending the Criminal Procedure Act, will be introduced to Parliament by the Minister of Justice during the 1986 session.

At a Press conference held in Pretoria yesterday, Mr Deon Rudmann, Director of Legislation of the Department of Justice, said the two Bills, namely the Special Courts for Blacks Abolition Bill and the Criminal Procedure Amendment Bill, were published earlier this month.

The special courts for Blacks Abolition Bill is aimed at giving effect to the recommendations of the Commission of inquiry into the structure and functioning of the courts.

The Commission found that, with the exception of the Courts of Chiefs and Headmen, the policy of separate courts for Blacks was obsolete, and recommended that these special courts be abolished and that all cases involving Black people should henceforth be tried in magistrate's

courts and the Supreme Court.

The Commission also found that the Courts of Chiefs and Headmen were cultural institutions of the Black population and, therefore, recommended that these courts be retained as long as they provided in the needs of Black people.

A further recommendation of the Commission contained in the Bill was that the Black divorce court be retained until such time as the family court, recommended by the Commission, was established.

A joint committee of Parliament was presently investigating the feasibility of the establishment of such a family court, Mr Rudmann said.

It was provided in the Bill, he added, that the Black divorce court should in the meantime also be placed under the administrative control of the Minister of Justice.

The Bill also provided that the courts may take judicial notice of Black law and custom without, as in the past, the requirement of proof thereof.

The Criminal Procedure Amendment Bill

was aimed at the adjustment of the provisions in the Criminal Procedure Act, 1977 (Act 51 of 1977), regarding corporal punishment and to promote the better application of community service as an alternative for short-term imprisonment — several commissions of inquiry had already come to the conclusion that corporal punishment, by virtue of its deterrent effect, should be retained but that it should only be imposed subject to certain restrictions.

Mr Rudmann said that with a view to keeping the provisions relating to corporal punishment meaningful and to endeavour as far as possible to keep offenders out of prison, the corporal punishment provisions were revised in the Bill.

A provision was added to the Bill that corporal punishment shall not be imposed in addition to imprisonment unless the whole or part of that imprisonment was suspended.

Offences such as murder (where the sentence of death was not im-

posed), arson, malicious damage to property, public violence and sedition were added to the offences for which corporal punishment may be imposed.

At the same time, certain offences where no assault or violence were involved, such as bestiality and homosexual acts, were deleted.

"The section was also amended to provide that corporal punishment may be imposed for culpable homicide only if it involves an assault," Mr Rudmann said.

The amendment restricted the offences for which corporal punishment may be imposed to offences of a violent nature and serious offences of a high frequency.

The Act was also adjusted to enable a court to impose on a male juvenile offender between the ages of 17 and 21 years, a moderate whipping in addition to any other punishment, except effective imprisonment, in order to impose more fitting sentences for youthful offenders.

SOUTH AFRICA

**LOMBARD BACKS FEDERAL PLAN FOR NATION'S FUTURE**

**Johannesburg BUSINESS DAY in English 17 Oct 85 p 4**

**[Text]**

CAPE TOWN — It is more important for South Africans to reach consensus on universally-accepted political, economic and public finance principles, than to try to reach finality on local political structures, Pretoria University's Economics Professor J A Lombard said yesterday.

Addressing the 83rd Assocom annual congress on *Some Fundamentals in the Financing of Political Reform*, he said it should be made clear that the new structure would be based on federalism and not a unitary system.

"I am assuming that various federal options are still available for SA. Worthwhile options tend to dissolve if they are not exercised."

Federal governments must be strong, but they must also be limited and dispersed, he said.

To achieve this new dispensation from the present unitary system "would constitute a very great deal of devolution of political power away from central government. It would involve a great deal of integration of political power among people of all races on the regional level.

"Power would basically be separated, not along racial lines, but along regional lines," Prof Lombard said.

To the extent that some consociational structures, such as the present three chambers of Parliament, remained useful, they would be accommodated on the regional rather than

the national level.

This would allow people of each region to design particular structures best suited to them.

Citing the Buthelezi Commission's recommendations for Natal and those of the Quaille Commission for the Eastern Cape, he said: "Has the time not come for other regions like the Western Cape to take similar initiatives about designing the way in which they could best run their own regional political affairs without racial discrimination?"

"To expect the regional devolution of power to be inspired and organised from the political centre is to subscribe to a contradiction in terms." — Sapa.

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CSO: 3400/272

SOUTH AFRICA

ECONOMIST VIEWS POSSIBLE ALTERNATIVE FOR CONSTITUTIONAL REFORM

Johannesburg BUSINESS DAY in English 16 Oct 85 p 8

[Commentary by Dr R. W. Bethlehem]

[Text]

**N NOVEMBER 1983 it seemed to many that the new constitution then being put forward by the Botha administration offered the possibility of a middle way for reform between continued white minority domination and black majority domination.**

Both are unhappy alternatives from the point of view of preserving a modern, Western-type industrial SA.

That constitution's central thesis was that blacks would be excluded, and that constitutional structures could be provided for them outside the parliament whites, coloureds and Asians shared.

This thesis has been thoroughly discredited by the accumulation of events since the referendum took place. The referendum was a victory for President P W Botha, but the rising crescendo of anti-apartheid protest both within and outside SA, and its linkage with internal unrest and external disinvestment and sanctions, has been a victory for the ANC, the UDF and those other black forces that are arranged against him.

No longer can it be pretended that the present constitution offers a viable mechanism for seeing us through the transitional phase of change which lies ahead.

**F**resh thinking about constitutional reform is necessary, and it is desirable that this should not be hamstrung by commitment to any change that has already taken place.

This article represents an economist's attempt at generating some new ideas. It is an attempt to link constitutional change to basic economic and political requirements — for these alone can provide the foundation on which meaningful constitutional change can be constructed.

Constitutional change in SA will have to take account of the following basic social, economic and political factors:

1) The country is at the beginning of a major demographic transformation. Between now and the end of the century, the population will increase by a further 15-million from its present 33-million.

And whereas at present there exists approximate parity between urban whites, coloured and Asians (about 8-million), on the one hand, and urban blacks (about 9-million), on the other, by the year 2000, urban blacks will outnumber other race groups by about three to one.

2) At present the labour force in

SA is structured roughly as was the US labour force at the turn of the century:

- Professional, technical and managerial, 9%;
- Clerical and sales, 15%;
- Craftsmen and operators, 18%;
- Unskilled, 58%.

The modernisation of the SA economy requires a structure more like that of the US today:

- Professional, technical and managerial, 33%;
- Clerical and sales, 30%;
- Craftsmen and operators, 32%;
- Unskilled, 5%.

Achieving this could take 50 years.

3) The exclusion of blacks from the political process in the light of the above makes no sense whatsoever. Indeed, it is logical that if blacks have no constitutional way to influence developments that directly affect income and wealth distribution, they will seek extra-constitutional methods to get around the problem.

Black participation in the processes of power becomes essential to the preservation of stability without which orderly economic development will be impossible. The economic task is to ensure that real GDP growth, at the very least, matches the average growth rate of population.

More desirably, real GDP growth should exceed population

growth to ensure a raising of average living standards.

4) The adoption of a one-man-one-vote system in a unitary state would not be conducive to the attainment of the required economic growth rate for a number of reasons, namely:

- It would create party political alignments heavily biased to satisfying demands of the black majority at the expense of minority groups in short time;
- It would make pressure irresistible for a dramatic redistribution of income and wealth, and for an Africanisation of both governmental and corporate sector bureaucracies;
- It would, as a consequence, result in:
  - A large withdrawal of white professional and technical skills;
  - Declines in productivity;
  - A heightened drain of capital; and
  - A collapse of real fixed investment.

It is not being argued here that white privilege and white domination of state and business administration are desirable in themselves. But both these features of SA life reflect disparities of education and efficiency. To the considerable extent to which this is so, they cannot be removed overnight.

Income redistribution and African advancement will, thus, have to happen gradually and not abruptly if the economy is not to suffer permanent damage.

5) Disregard of Afrikaner concern about Afrikaner sovereignty and survival can also make no sense whatsoever.

Afrikaner power is a force of considerable importance and it has to be reckoned with. The Afrikaner existence in and commitment to SA is unique, and it justifies unique constitutional acknowledgement and accommodation. Unlike other white communities, the Afrikaans community enjoys no assurance of the continuity of its language and culture in some distant land.

6) Unless both individual and group rights are acknowledged, any attempt at constitutional re-

form is bound to fail. The Afrikaner struggle for group survival has not surprisingly resulted in individual human rights being relegated to a secondary position, and this is at the heart of the debate over issues of majority and minority rule.

7) The economic interdependence of the races in SA, and the indivisibility of the SA economy, precludes partition or any form of constitutional balkanisation of the country.

8) Statutorily enforced racial discrimination, and racism in all its other forms, can have no acceptance in the post-Holocaust world. Institutionalised racism in SA is a fundamental obstacle to the country's economic development because it adversely affects its international trading relations and the financing of its required development as well as its international efficiency.

9) The Head of State needs to command the loyalty of the whole population. A problem with the present constitution is that the Head of State is chosen by an electoral college which effectively excludes two-thirds of the inhabitants of the country. He can really speak for only one constituency.

The constitutional proposals spelled out below envisage:

- a) A federal union with authority for regional affairs (including police services and education) squarely given to state governments. Federal authority is limited to matters of defence, national security, foreign affairs, posts and telegraphs, transport, national health and welfare, money and banking and macroeconomic stabilisation;
- b) A bi-cameral legislature comprising:
  - A House of Representatives, elected on the basis of a universal, but qualified, franchise; and
  - A House of Communities, elected on the basis of voting within major groups, e.g., Zulu, Xhosa, Tswana, Afrikaans, English, Portuguese, Indian, mixed;
- c) An executive president, on the US model, elected from amongst four vice-presidents and appointing his cabinet from technocrats outside parliament;
- d) A president's committee comprising the president and three

vice-presidents, each elected to the committee by permanent members of the House of Communities;

e) An independent judiciary whose judges (federal and local) are elected by state legislatures; and

f) A Bill of Rights.

The purpose of a federal union would be to disaggregate power, and so to limit the possibility of monopoly exploitation by any group or region.

The House of Representatives and the House of Communities would have, respectively, the responsibilities of safeguarding individual and group rights. Changes to the Bill of Rights would be subject to two-thirds majorities of both houses sitting separately.

Weighting of group representation in the House of Communities would not be on the basis of numbers alone but would be predetermined also according to the historical seniority of the groups concerned. The House of Representatives would be the major house with the largest number of sitting members, while the House of Communities would fulfil the controlling role of a senate, but with power to initiate legislation in its own right. New laws would require the majority approval of both houses.

The qualification of the right to vote concerning the House of Representatives would exclude persons from voting if they were both under the age of 30 and without the educational requirement of a Standard 8 certificate.

Nobody under the age of 18 would be permitted to vote. However, voting qualifications could be subject to change over time to allow for a graded transition to the new system from that currently in force. This would have the effect of avoiding a disruptive transfer of power when the new constitution came into operation and would be biased, but only initially, in favour of whites.

However, in such a case, it would be necessary to restrict the phasing in period to a maximum time separating two general elections. If this were done, everyone would be on notice of the consequences of the scheduled

qualification adjustments and could plan accordingly.

**A** feature of the House of Communities would be the group category "mixed". This would comprise, mainly, coloured people but could include people of any race or ethnic group.

The point to be stressed is the absolute imperative of scrapping the present system of race classification. To qualify for House of Communities voting, individuals would have the choice of classifying themselves. An electoral officer who suspected that a particular individual was attempting to defeat the ends of the constitution could overrule an application for classification and this overruling could be taken to an electoral court on appeal.

Cases of doubt unresolved by the court could be classified as "mixed" and the court's ruling, then, would be final. There would be nothing to prevent an individual registering as, say, "Afrikaans" or "English" for one general election, and "mixed" for another. The choice would be his, but this would not affect the group composition of the House of Communities as that would be fixed and only subject to change in terms of predetermined procedures.

The election of the executive president would be universal on the basis of the voters role of the House of Representatives. Each presidential election would have four candidates, namely, the four vice-presidents elected to the President's Committee by permanent members of the House of Communities.

Permanent members here would be defined to include only major groupings, which could be consolidations of groups seated in

the House. For example, Zulus, Xhosas and Tswanas could constitute for this purpose one permanent member, English and Afrikaans another, etc.

Decisions taken by the president would be subject to a checking mechanism in the President's Committee with the president possessing a casting vote amongst the four members, which vote would be final.

Voting for the president would be on a point, not a simple majority, system. Each voter would have to specify the order of his preference for president of each of the already elected vice-presidents.

A first choice would earn four points, a second choice three points, a third choice two points and a fourth choice only one point. Thus, a successful candidate would have to earn support from all major national communities but his election would be universally determined.

The Bill of Rights would define the rights of individuals and groups and would be phrased to give expression to the highest ideals of universal philosophy with full acknowledgement of the equality of all before the law, of the freedom of worship and movement and of the right to personal property.

The tragedy of recent events, aside from the lamentable loss of life and the hardening of racial animosities that they have involved, relates to the loss of constitutional direction that the country has suffered.

This needs to be urgently restored for the unrest to subside and for economic recovery to be initiated. For P W Botha these recent events have been a personal tragedy. He at least has been a bold leader who has been prepared to commit himself and his party to reform. He remains thus committed, but events have overtaken him.

SOUTH AFRICA

## POSSIBILITY OF SLABBERT LEADING WHITE TRIPLE SPLIT

Johannesburg BUSINESS DAY in English 17 Oct 85 p 6

[Article by Ken Owen]

[Text]

**W**HEN A quasi-government body like the Human Sciences Research Council denounces the Population Registration Act — quite correctly — as the root of our problems, then those who have made a profession of opposing apartheid are in danger of finding themselves passe.

There is a great turmoil in the ranks of the white opposition, a scurrying for new positions as verligte Nationalists rapidly make old Opposition causes their own: labour reform, housing, education, pass laws, citizenship and now even group areas and population registration.

Some staunch opponents of apartheid, of course, are emigrating in the face of the looming prospect of liberation.

**O**thers, fearful that the atheist Left will hold the moral initiative if it comes to a righteous slaughter of sinners, are developing elaborate Christian rationalisations for violence against the oppressor. They may yet have to fight for a place under the banner of liberty, and they clearly don't think there's much future in it for pacifists.

Churches that were silent or whose bishop fled in fear when Verwoerd and Vorster were at the helm are now proclaiming their duty to be political, and are going back to the Greek texts to

confess in sermons that, lo, they have misunderstood the Gospels all these years.

There are stresses everywhere. Young Progs who are also members of the End Conscription Campaign — and their mothers — a view Harry Schwarz (the European social democrat!) in much the same light as the ANC sees Chief Mangosuthu Buthelezi.

Natal Progs who happen also to be members of the Black Sash are caught in a similar bind.

They have been feuding desperately with Inkatha, whom they blame for the conflict with the UDF (just as liberals blame the UDF for the conflict with Inkatha); now Dr Frederik van Zyl Slabbert has joined Chief Buthelezi in the Convention Alliance, and where does that leave them?

The Detainees Parents' Support Committee has openly attacked Helen Suzman, whose impeccable liberal positions are now drawing the ire of more radical elements.

Slabbert himself, of course, has been playing catch-up with Big Business, whose Gavin Relly and Tony Bloom beat him to Zambia to explore the minds of ANC leaders.

In fact, since taking over the chairmanship of the Anglo American Corporation, Relly has been threatening to run ahead of the professionals in creative politics. Nor is he alone. Tony Bloom of Premier, Raymond Parsons of Assocom, the Urban Foundation and others are in the game, too.

All of this is good news, insofar as it means whites are beginning at last to face up to the realities of the country. The Nationalists, and Afrikaners generally, are recovering from the psychotic episode known as apartheid and are undoing their own bad works, which takes great courage.

That means the argument against apartheid has essentially been won. Only Dr Andries Treurnicht and the extreme Right still believe racism can form the basis of a 20th Century state; if they come to power, the destruction of SA as we have known it is assured. Other whites may differ on method, but they agree the Verwoerd-Treurnicht formula has already failed utterly.

So where do we go now?

This, not the familiar wickedness of apartheid, is now the principal question of SA politics, to which only the revolutionary Left has worked out a clear answer. Only the Marxists possess a mature theory of change that integrates methods and goals into a coherent blueprint. The method is violence and the goal is the destruction of capitalism.

**H**ence some of the attacks on reform (seen as an attempt to rescue capitalism), on the liberals (seen as the most effective ideological enemy) and on peaceful change (seen as unlikely to create a proletarian dictatorship).

(There is some support from abroad. As a writer remarked recently in *The Times* of London, SA has come to be seen by European Marxists as a heaven-sent chance to rescue Marxism. But the local fight is essentially indigenous).

The confidence of the Left derives from the expectation that President Botha's reform programme will fail — that it will unsettle his own power base without creating a new stability.

This assumption is hard to challenge. Indeed, if there is one topic on which a growing number of South Africans despairingly agree, it is that reform is not moving fast or far enough. Botha's government is displaying neither the sense of urgency nor the skill which is required.

His party offers no clear vision of the future around which a multiracial constituency might be built to resist the encroachment of the hard Left. The new National Party binds itself to no principles, but hides its intentions in a vocabulary that nobody else understands: participation, highest levels, no domination and other such masterpieces of Pretoria-speak.

Depressing as it may seem, the inadequacy of Nationalist reform offers an opportunity to the democratic Opposition. The old assumption that the Nationalists are unbeatable in the white electorate no longer holds (and may be made plain in the coming series of by-elections).

**I**nstead, there is a reasonable prospect that the next election will split the whites three ways, and that the moment of opportunity long foreseen by Slabbert will become a reality. He could hold the balance of power and be in a position to bargain for a real breakthrough to democratic government.

But for that to happen, the PFP needs both to hold off the encroaching forces on its left and to recruit and organise new reformists who, thoroughly frightened by sermons justifying the use of violence against them and their class interests, now scurry anxiously from Botha to Relly to Slabbert in search of hope.

A constituency of frightened opponents of apartheid lies waiting for whoever has the strength and the will to lead it.

SOUTH AFRICA

FORMER EDITOR ON CRUCIAL ISSUES INVOLVING NATION'S NEWSPAPERS

Johannesburg BUSINESS DAY in English 9 Oct 85 p 6

[Article by Joel Mervis]

[Text]

LOUIS VAN WINSEN, a former judge, has been chairman of the SA Media Council for a relatively short time — less than two years in fact. It has therefore not taken him long to put his finger on the crucial issues involving South African newspapers.

The first, as he pointed out at a meeting of the Newspaper Press Union in Port Elizabeth last week, is the fact that the survival of the Press is at stake. His second important point: If the Press is to obtain relief it should be granted special tax concessions.

It so happens that I raised these issues in a speech in the Transvaal Provincial Council as far back as May 1978. It may be relevant to quote a brief excerpt from that speech.

After stressing that the survival of some newspapers was in jeopardy, I went on to say: "I believe newspapers should receive, and are entitled to receive, substantial help from the state . . . but the last thing I would suggest is that the state should pay a direct subsidy to any newspaper. In such circumstances newspapers would lose their independence and become servants of the state . . .

## Concessions

"Among the different types of assistance the state could give, I suggest two that might be helpful. One could be a revised tax formula to bring relief to newspapers, a concession justified on the grounds of national interest; but by far the most effective method would be a substantial state subsidy to those companies which manufacture and supply newsprint. This would enable newspapers to buy newsprint at a price that could ensure their survival."

While I am gratified to note that Van Winsen has endorsed the views put forward seven years ago, it gives me small satisfaction to know that my fears and forebodings of 1978 have become the appalling realities of 1985.

If conditions for newspapers were critical in 1978, they are probably even worse in 1985 — and Van Winsen is right to issue a fresh warning of the perils facing the Press. Indeed, it would be true to say that the past seven years have been the most traumatic in the history of the South African Press.

The disasters are too recent and too painful to have been forgotten. *The Friend*, of Bloemfontein, and the *Rand Daily Mail*, both looked upon as permanent institutions, have vanished in this very year. *The Sunday Express*, *Sunday Mirror* and the *Soweto News* have gone. *Die Transvaler* disappeared from its position of eminence and influence as a Nationalist morning paper in Johannesburg and surfaced as an afternoon shadow of itself in Pretoria.

*Hoofstad*, a Pretoria afternoon paper, has also folded. Within the last few days *The Natal Mercury*, another "permanent institution", has been saved from oblivion by means of a merger with the *Argus* company.

People are no doubt concerned about these events, but they may nevertheless ask why the Press should be given relief in preference to other industries which are also going through bad times. The answer would be that the Press is a special case, because a healthy Press is a vital, essential element in the democratic process.

In the long run, the biggest losers in the Press upheaval of recent years are not the

newspaper companies but the South African public themselves. In a sense much of their freedom has been buried in the coffins of the newspapers that died.

Now that we are reminded by Van Winsen of the grave threat to Press survival, it is of paramount importance that the public should be told precisely why the Press is in such mortal danger.

The newspapers are caught in a giant pincer movement which, as we have seen, can remorselessly crush the life out of them. On one hand rising costs have become an intolerable burden, on the other the sources of revenue and income are dwindling at precisely the time they need to move up.

In my view the greatest single force squeezing the life out of newspapers is the cost of newsprint — newsprint being the paper on which the news is printed.

## Devastating

We know only too well that the cost of all materials has risen sharply in the past 60 years, but few materials have side effects more devastating than those of newsprint.

Before World War II, the price of newsprint was about R12 a ton. When I spoke in the Provincial Council in May 1978, newsprint had risen to what I then described as the "crippling" price of R340 a ton. If R340 was "crippling" in 1978, what word are we to use in 1985 to describe the current price of R910 a ton.

Newsprint gets its diabolical character — economically speaking — because of its voracious, all-consuming commitment from which a newspaper cannot escape. Some opportunities do exist here and there for a hard-pressed newspaper to make effective savings and economies.

The one thing it cannot avoid is the growing use, at a mounting cost, of the vast, endless flood of newsprint that pours through its presses each day and each week.

## Advertising

In a developing economy rising costs can be met by increases in turnover and revenue. That happens in many industries — but not in the newspaper industry. Its main source of income is derived from advertising and, at the moment when newspapers need all the advertising they can get, a large segment is snatched away by the new medium — television.

No one can reasonably suggest that TV should therefore abandon its advertising revenues. TV must also live. The solution lies rather in Van Winsen's proposal of tax relief for newspapers and, I submit, my own added proposal that newsprint manufacturers be given a state subsidy.

These relief measures can be justified only if we accept the proposition that a strong, free, healthy and independent Press, representing many shades of opinion, is vital to the welfare of SA.

One can surely claim that most South Africans would endorse that proposition. It would then follow that active steps for relief of the Press shoul' be treated as a matter of urgency.

From the gloom that shrouds the newspaper world let me pluck at least one ray of sunshine; namely *Business Day* itself. *Business Day* would be categorised by lawyers as being *suigeneris* — meaning something exceptional or the only one of its kind in SA. It certainly is a genuine pioneer, and one must suppose its sponsors suffered some anxious moments about their experimental venture.

But those days have gone. In my view *Business Day* has become an important and significant part of our Press. It has character, and it has been moulded into a journal that commends itself not only to the business community but also to a wider audience who would surely value its general news coverage and the excellence of its features.

In short, a *tour de force*.

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CSO: 3400/272

SOUTH AFRICA

## COMPENSATION FOR INANDA REFUGEES

Durban POST NATAL in English 16-19 Oct 85 p 1

[Article by Khalil Aniff]

[Text]

**THE 1 000 Inanda refugees who lost most of their belongings in the recent unrest will each get between R300 and R500 compensation from the Inanda-Phoenix Relief Fund.**

This was disclosed to POST yesterday by fund vice-chairman Mr Ashwin Mohanlall, who is also chairman of the five-man compensation committee.

Mr Mohanlall said a formula had been worked out which provided for a two-member family to receive R300 and a family of between three and five R400. Families of six and more will qualify for R500.

All the recipients will be given vouchers, with their identity numbers, which they can exchange for household goods at certain stores.

Mr Mohanlall said until yesterday R176 000 had been collected in cash — R120 000 coming from primary and secondary school pupils.

Pledges from the House of Delegates (R350 000), Durban City Council (R50 000) and the Teachers' Association of South Africa (R100 000) are expected to be handed over later this week or early next week.

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CSO: 3400/286

SOUTH AFRICA

FAMILY STRESS GROWS; CHILDREN NEED HELP

Johannesburg THE CITIZEN in English 25 Oct 85 p 9

[Text]

THE growth in the number of families who are turning to child and welfare societies country-wide is indicative of the present negative impact of societal stress on family life, Mrs Joan Oberholzer of the National Council for Child and Family Welfare said yesterday.

Mrs Oberholzer was speaking at a Press conference to launch Child Welfare Week that begins nation-wide tomorrow and culminates next Saturday with the traditional "Our Children's Day".

During next week the Council is hoping to increase the public's awareness of the society that cares for over 200 000 children in foster care.

those neglected through family problems and through child abuse, where in 1984 alone, 644 new cases of alleged child abuse were reported

"Next Saturday all South Africans will have the opportunity to bring happiness to many children by dropping a few cents in the collection boxes that will be at our street collection points across the country," Mrs Oberholzer said.

She said that in the present stressful economic situation it was the child who was suffering the most. "The Council hopes to prevent the cutting back of present services to over 200 000 children of all population groups, due to a shortage of funds."

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CSO: 3400/286

SOUTH AFRICA

## MINISTER PRAISES SPECIAL TASK FORCE ON ANNIVERSARY

Johannesburg THE CITIZEN in English 25 Oct 85 p 4

[Article by Andrew Thomson]

[Text]

THE South African Railways Police Special Task Force, regarded by many as one of the best special forces in the world, celebrates its tenth anniversary this year.

Yesterday representatives of the SAP, the SADF, Armscor, SAA, the CSIR, the National Intelligence Services, and the Civil Aviation Authority gathered at the Railways Police college at Esselen Park to commemorate the founding of the Special Task Force.

The force became known throughout the world in late 1981 when it was instrumental in ending the hijacking of an Air India Boeing 707, commandeered by a group of mercenaries in the Seychelles.

The Minister of Transport Affairs, Mr Hendrik Schoeman, who is an honorary Colonel in the

Special Task Force, told the Esselen Park gathering that the force was "rated among the best of its kind", and that this was "a great honour and achievement, taking into account the unit's lifespan of only 10 years".

"This proves beyond any doubt the quality of the men," he continued, "the solidity of their skilled training, and the ease with which sophisticated weapons and equipment are mastered and used."

Guests at yesterday's celebration were treated to a slick demonstration of the unit's abilities. Visitors saw the task force handle hostage situations involving buses, trains, buildings, and aircraft.

The task force is also trained to handle hostage situations arising from the hijacking of vessels.

Puma and Alouette helicopters are sometimes used for rapid deployment, and the unit is

proud of the fact that 15 task force members can be deployed from a helicopter hovering at 16 metres within just eight seconds.

Physical training and self-defence comprise about one third of the unit's training, and visitors were given a convincing demonstration of unarmed combat.

The Special Task Force began in 1975 with four combat groups being trained at Oudtshoorn. During the 1976 riots task force members played a prominent part, especially in the protection of VIP's.

The unit concentrated on rural operations until 1980, when the emphasis was shifted to urban operations. Until March this year, the only permanent members of the force were its commanders and instructors, but the unit is now operating as a fully-fledged permanent force.

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CSO: 3400/286

SOUTH AFRICA

LABOR REPORTER ON OFFICIAL ASSUMPTIONS ABOUT POVERTY

Cape Town THE ARGUS in English 15 Oct 85 p 16

[Article by Dick Usher]

[Text]

POVERTY datum lines were originated during World War II in an attempt to measure how many workers were living below the subsistence level, but now they are being used by employers to justify paying minimum wages.

According to Ms Debbie Budlender, formerly a researcher with the South African Labour and Development Research Unit (Saldru) and now working for the Food and Canning Workers Union, their effect is to condemn people to continued poverty by being used to set wages which leave no room for improvement of the worker's situation.

Ms Budlender, in a Saldru working paper introduced at a meeting at the Trade Union Library, questioned both the theoretical foundations of the various measures used to determine poverty and the commodities covered.

For example, people living on or near the poverty line are rarely able to use the most efficient methods of buying food.

"The prices of the various foodstuffs are based on the best prices applicable, in general those of the cheapest supermarket. Budget economists recommend that to get the best

value for money the consumer should do one large shop a month at one of the supermarkets, and restrict daily or weekly purchases to the absolute minimum of perishables," she said.

Few workers can follow this advice because they have limited shopping time, use public transport which limits the number of parcels they can carry, usually live long distances from the bigger supermarkets, rarely have enough money to do all their shopping at one time and do not have facilities for storage.

"They are thus forced to make smaller and more frequent purchases.

"The goods have a higher unit cost both because of the smaller quantities purchased and because they are purchased at shops which invariably charge more than the supermarkets."

She points out that GST concessions are of little value to poorer people. Without refrigeration they have to buy tinned and other foods which will keep better, none of which are exempt from GST.

Estimates of clothing costs are also inadequate, she says.

"The woman is allowed two pairs of panties a year; three pairs of stockings are allowed; one winter nightie is allowed. There is no provision for summer nightclothes. Children's cotton pants and long-sleeved jerseys are supposed to last for two years. Raincoats are provided only for adults, even in the wet Western Cape."

Rent allowances are also completely inadequate.

Unisa's Supplemented Living Level (SLL) for February, 1984, which allows for items beyond "the lowest sum possible on which a specific household can exist in our existing social set up" which form its Minimum Living Level (MLL), budgeted R30.05 for rent. This was supposed to include compulsory expenditure on garbage disposal, sewerage, water, school and other levies, upkeep, taxes, electricity and wiring.

Even in the cheapest Cape areas rents are above this, and in the newer areas they are

twice or three times as much.

For medical expenses the MLL allowed only R4.80 a month for a family of five.

"This amount is not enough to cover the contributions to medical benefit funds, even less medical aids. The allowance thus does not even cover the costs of insurance against medical expenses," says Ms Budlender.

In a Bureau of Market Research survey in 1980, the last year the BMR did such a survey, it was found that the higher SLL was only half the average household's level of expenditure and even then the average household was overspending its budget.

"People are not happy earning just enough to keep body and soul together if they see people around them living in the lap of luxury. They feel that if they contribute to creating the wealth of a society they have a right to share in that wealth," she said.

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SOUTH AFRICA

## ACADEMICS DISAGREE ON BOTHA'S OFFERS OF REFORM

Cape Town THE WEEKEND ARGUS in English 12 Oct 85 p 4

[Article by Frans Esterhuyse]

[Text]

**WHILE some academics believe President P W Botha has laid the foundations for peaceful negotiation, others still say there can be no negotiation while any vestiges of apartheid remain.**

Professor Robert Schrire, head of the Department of Political Studies at the University of Cape Town, said he was "cautiously optimistic" about prospects for successful negotiations after President Botha's latest policy statements.

All the elements for successful negotiation about the future were contained in Mr Botha's declared commitment to the principles of a united South Africa, one citizenship and a universal franchise.

What was needed was an environment for negotiation.

"Mr Botha has put all the building blocks there," Professor Schrire said.

From the black viewpoint, a powerful reform manifesto from President Botha was now needed to create confidence in his offer.

To some extent Mr Botha had "boxed himself into a corner" by refusing to issue a statement of intent.

This difficulty could be overcome by spelling out his intentions in a reform manifesto.

### Explain his policy

President Botha could also hold a series of private meetings with leaders of important groups. At such meetings he could explain his policy and intentions, while even saying he would not issue a declaration of intent.

He could issue a speech or a manifesto to give the various groups a clear lead.

Private talks with such leaders as Chief Mangosuthu Buthelezi, Bishop Desmond Tutu and Dr Motlanthe, could pave the way for proper negotiations and could even draw a dramatic response.

It was very important that President Botha identify the important leaders of the different groups.

At private talks Mr Botha could also establish what the minimum demands of the various leaders were when they were free to talk without posturing.

The next stage would be to try to remove irreconcilable barriers and to begin a process of bargaining.

Professor Schrire said agreement could be sought on forums or other ways of keeping negotiations going.

A body with prestige could be formed to resolve major problems concerning inter-group relations.

Even the President's Council could be turned into such a body.

Professor Jakes Gerwel, Rector-designate of the University of the Western Cape, said he was not excited about President Botha's statement that the National Party was committed to the principles of a united South Africa, one citizenship and a universal franchise.

These were matters which people had always asked for and they were what politics was about in South Africa.

Taking into account the NP's history and present attitudes, it was not clear exactly what President Botha meant when he used these terms.

He spoke of a "united South Africa", but in the same breath he declared that the Group Areas Act would stay. "This makes one despair as to his meaning," Professor Gerwel said.

A united South Africa also did not seem possible while separate homelands existed.

#### **Could mean separate poll**

President Botha also spoke of "universal franchise", but in the National Party this could mean separate voting for separate structures.

Professor Gerwel said the right conditions had to be created before there could be proper negotiations to find long-term solutions to problems.

A democratic atmosphere would have to be created so that all the parties concerned could organise themselves unhindered. Conditions would have to be created under which fair and free elections could be held.

No negotiations could be really meaningful while the ANC was an illegal organisation and South Africans were in exile overseas.

#### **Troops must be withdrawn**

As a start to negotiations, the Government should talk to black leaders who were accepted by their communities.

Professor Gerwel said the initiative for ending the unrest and violence would have to come from the Government.

One of the first steps needed was the removal of the atmosphere of "a mini civil war".

Troops would have to be withdrawn from the townships and the state of emergency would have to be lifted in the areas where it was in force.

This had to be followed by imaginative and reconciliatory initiatives from the Government. Talks would have to be held with leaders who had apparent credibility in their communities.

Requests to the Government for talks should be responded to with enthusiasm and not with a "dragging of feet".

The Government should have talked to Bishop Tutu and could still do so.

Bishop Tutu's stand was uncompromisingly against apartheid, but at the same time he saw a strong reconciliatory role for himself in South Africa's situation, with its tragic divisions.

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SOUTH AFRICA

## CURRENT-ACCOUNT SURPLUS EXAMINED

Johannesburg SUNDAY TIMES (Business) in English 13 Oct 85 p 4

[Article by Cees Bruggeman: "Our Options Are Reduced"]

[Text]

IT has become conventional wisdom to accept that South Africa has a massive current-account surplus on its balance of payments.

However, some of this surplus may be illusory, in the process tightening our constraints somewhat, if only perceptually.

Earnings that never were cannot be missed once they are recognised as such. Even so, psychologically it has the effect of reducing our national options.

In the beginning of this year the Reserve Bank was expecting a current account surplus of "only" R1 500-million for 1985.

### Contrast

By mid-year the official forecast had grown to R4 200-million, while over the past month the official figure has been upgraded to R5 400-million.

Such optimism has been warranted by the general collapse in import volumes (20% down on last year), which has kept nominal spending on imports flat in rand terms. In contrast, export revenues leapt ahead in volume as well as rand terms, greatly helped by the weaker rand.

The reverse side of this growing current-account surplus was a major outflow of capital. After an actual inflow of about R600-million during the whole of last year, there was a net outflow of R2 800-million during the first half of this year alone.

The debt standstill of late August has put a bomb under these figures. The assumption generally was that on the morning after the standstill announcement the rand would be back at \$0.60.

### Fluctuate

After all, the accelerating repayment of bank debt would be removed from the market, greatly easing the pressure on the capital account, thereby making way for the huge current-account surplus to come cascading into the market, forcing the rand up.

It didn't happen. Instead, the rand continued to fluctuate in a \$0.35-\$0.42 band as if nothing had changed.

The rules of the game under such circumstances are quite simple. There is a general scramble to find good reasons for this unexpected development.

Six weeks on, the rand has remained extremely weak against the dollar, and has depreciated further against most other currencies as the dollar itself came down.

### Hair-raising

This has been surprising, as the gold price has actually been somewhat higher in recent months. Even more curious was the total absence of a rise in the official foreign reserves, and the general recognition in the market that there has been a continuous shortage of dollars.

Whatever entered the forex market was immediately being absorbed by essentially unidentifiable sources.

Such mysteries cannot continue for long, and the "explanations" multiplied in hair-raising fashion.

The Reserve Bank was identified as a net buyer of dollars to meet its forward book. Private companies were reportedly stepping up their dividend payments to their overseas holding companies, getting out while the going was good.

Importers and exporters were apparently again worsening the leads-and-lags position as they speculated against the rand. Importers were cut off from trade credit, requiring dollars upfront to pay cash for their imports.

## Questionable

While all these factors help to explain why there has been no build-up of dollars in the local market, there has been an even more obvious reason: the current-account surplus never was as large as what has been assumed.

The Reserve Bank borrowed heavily overseas up to the end of the first quarter of this year, followed by a massive repayment in the second quarter.

Also, the public sector last year was a large borrower of long-term funds, and this trend continued in a lesser fashion during the first half of this year. But these are about the only certainties we really have.

What is questionable is the amount paid for services, and consequently the balance on current account, both of which in turn place a question mark behind private-sector capital movements, which include "unrecorded transactions".

The last year for which official figures are available is 1983, and already in that year a discrepancy can be discerned.

## Further

At the end of 1983 the foreign debt was \$23.6-billion. The interest cost on that debt may be assumed to have been at least \$2-billion. At an average exchange rate of \$0.89 this translates into R2.2-billion.

The official interest on non-direct investment for that year was R1.1-billion, an apparent understatement of R1.1-billion.

Unrecorded short-term capital movements — ie, a residual amount that could not be explained, amounted to R800-million for that year, which may to a large extent have been unidentified interest payments.

For 1984 and 1985, the figures are less complete, but the trends are more ominous. At the end of 1984 the foreign debt had probably risen further, as had the interest burden at \$2.1-billion. At an average exchange rate of \$0.89, this translates into R3-billion.

However, throughout this period the authorities claimed a debt-servicing ratio of about 6% — ie, total interest payments plus prin-

cipal repayments due within 12 months as a percentage of total export earnings.

This official figure does not allow for more than R1.8-billion in interest payments, which is collaborated by the fact that total service payments increased only 19% over 1983, which is nearly entirely explained by the rand's decline and which does not allow for much of an increase in interest payments.

## Veil

It would therefore not come as a surprise to be told that unrecorded transactions in 1984 were R1.2-billion, the extent of the apparently understated interest payments.

The reason for these interest understatements seems to lie in the private sector. The authorities appear to have a good feel for the foreign debt and interest obligations of the central government, the local authorities, the public corporations, the Reserve Bank and the private banking sector.

However, a veil seems to hang over many private-sector transactions, specifically those of an inter-company nature and those between companies and overseas banks direct.

The implications of these interest understatements are unsettling. It means the current account in 1983 was not into surplus by R300-million, as reported, but was apparently into deficit by R800-million.

Similarly, the 1984 current-account deficit was not R1 500-million but apparently R2 700-million.

And capital outflows (repayments) during 1983-1984 were similarly overstated by R2 300-million, which is fully appreciated only when one is confronted by the rising foreign dollar debt during those years.

These trends intensified during the first half of 1985. This year's total interest bill is likely to be R4.4-billion, of which only R2.4-billion may be visible at present in the national accounts.

## Lagging

That would imply a current-account surplus at least R2-billion lower than the R5.4-billion currently projected for year-end.

It is only small comfort that the official estimate of the 1985 current-account surplus has been substantially lagging behind private-sector estimates, which in turn invariably have not been adjusted for possible interest understatement.

It is therefore still with a reduced estimate of the 1985 current-account surplus that we may have to start a recovery phase, commence repayment of foreign debt, meet the forward book of the Reserve Bank, accommodate worsening leads and lags, and finance an untold number of other leakages from the capital account.

As any accountant will recognise, we have a national problem called cash flow. Its ultimate barometer remains the rand, and in a free-trading environment its health can only remain extremely sick for the time being.

SOUTH AFRICA

CONTRACTOR URGES GOVERNMENT TO PROMOTE PRIVATE ENTERPRISE

Johannesburg THE STAR in English 8 Oct 85 p 16

[Article by Frank Jeans]

[Text]

A leading contractor today calls for Government and quasi-Government work to be reduced and phased out as quickly as possible so as to allow projects to be handled by "more efficient private enterprise".

Emphasising that he was speaking in a personal capacity and not as president of the South African Federation of Civil Engineering Contractors, Mr Con Roux of Con Roux Construction, says: "Maximum efficiency and lowest cost is determined mainly by the following considerations — profit motive, competition and the right to fire those who are incompetent.

"Since these three factors do not exist in Government and quasi-Government works, it is clear that these works should be reduced or phased out quickly and be replaced by an orderly change-over to the private sector."

Commenting on the

state of South Africa's road network, an area in which his company is strongly involved, Mr Roux believes maintenance of the road system has been allowed to lag behind traffic growth with the result that rapid deterioration is evident in many areas, particularly in the vicinity of urban centres.

"If a percentage (currently estimated at about two percent a year) of capital investment is not set aside for maintenance, our road communication assets will be wiped out and major reconstruction will be the order of the day," says Mr Roux.

**Swazi rail link**

Swaziland has another vital trade link, with the completion of the R22 million rail line from Mananga on the SA border to Mpaka, thus completing a north-south rail service across the country.

The line, built by Murray & Roberts Roads and Earthworks, will be the route for rock phosphates and timber products

from the Eastern Transvaal to Richards Bay and will also serve as an alternative shorter route for other bulk cargoes.

The completion of the rail link is an achievement for the Elandsfontein-based M&R company, because the project, which began in October 1983, was disrupted by cyclone Demoina in 1984.

"Despite this problem which seriously affected programmes and schedules, the final contract will be substantially completed within the stipulated period," says Mr Tony Stratford, managing director of M&R R and E.

Another M&R company, Murcoms is to manage the conversion of the old Milner Park exhibition centre into the west campus of the University of the Witwatersrand.

"The project will accommodate the transfer of the faculties of law, commerce and education and the 4 500 students of these faculties.

**Westgate build-up**

The latest tenant in the R75 million retail giant, Westgate in Roodepoort is the Cape-based sports group, Totalsports which, after only two years in the business, now has seven stores in the Transvaal.

Managing director, Mr Carl Jansen, says: "We have concentrated on regional shopping centres, locations which work well for Totalsports in generating a lot of business with a growth prospect of between 45 to 55 percent.

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SOUTH AFRICA

## FOSATU ATTACKS MULTINATIONAL COMPANIES

Johannesburg SOWETAN in English 14 Oct 85 p 9

[Article by Joshua Raboroko]

[Text]

**THE Federation of South African Trade Unions has attacked a number of multinational companies which moved into so-called "homelands" where they "blatantly exploit" the abhorrent policies of apartheid.**

The federation, in a report to The SOWETAN, highlights the lack of protection for unions and their members operating in these areas.

The report comes after a European trade unionist, Mr Enzo Friso, the assistant general secretary of the International Confederation of Free Trade Union (ICFTU), has made things hot for multinationals in South Africa following his visit here last month.

Mr Friso said multinationals in South Africa should meet the black trade union demands or face action from 90-million workers worldwide.

During his visit he asserted: "Our warning goes to all multinationals guilty of violating international labour codes."

Some of the multinational operations that have come under attack recently are: BTR Sarmcol, Dunlop, Transvaal Alloys, Alfa Romeo, Siemens, General Motors and Mercedes Benz.

Mr Friso said they will investigate every multinational while in South Africa and will consult black emerging unions on a plan of action.

### **Consult**

In its report, Fosatu said that these multinationals were running away from urban areas and settling in the "homelands" where they exploit "cheap labour" by not paying "a living wage" to workers.

The secretary of Fosatu-affiliate Metal and Allied Workers Union, Mr Moses Mayekiso, said the fight against

multinationals is on. These companies are protecting the apartheid system by moving into the areas where they know workers are not protected

"We have declared disputes with some of the major companies who refuse to negotiate with us at plant level and these include multinationals. Workers want a living wage to cope with the escalating cost of living," he said.

The fight against multinational companies has also been joined by the Council of Unions of South Africa (Cusa). Its president, Mr James Mndaweni, said: "Unless these companies improve their wages and working conditions, we shall be forced to call for economic sanctions against South Africa — possibly leading to national industrial action."

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SOUTH AFRICA

## MARKETING URGED TO DOWNPLAY RACIAL DIFFERENCES

Johannesburg THE STAR in English 8 Oct 85 p 15

[Article by Roger Sinclair]

**[Text]** Mr Roger Sinclair has spent almost 30 years in the advertising industry, in South Africa and overseas, and recently completed his first book on the subject *Make the other half work too*. This article examines the nucleus of an argument which forms the central theme of what will be his second tome on the advertising industry.

It is surprising that with the reform movement now in progress that the sector of the business community which deals with the future — the marketing sector — is lagging far behind its peers.

The politicians have recognised the reality that South Africa is a single state and, perhaps a little late, the business community is also flexing its muscles. But marketing is perpetuating an anachronism and is missing an opportunity to lead the country in the reform process.

Marketers deal with the satisfaction of consumer needs. Their prime task is to identify potential users of their products and services and define strategies that will carry selling messages to them.

Traditionally in SA, their view of the market has been in terms of four basic population divisions. Their overall marketing objectives, their communications objectives and their media selection are all based on the basic racial divisions that have characterised SA for so long.

This made a good deal of sense a decade or two ago. At that time the white community was responsible for the vast bulk of consumer spending and the majority of non-whites had little discretionary spending power.

Blacks also had minimal education standards, which made communicating with them difficult. But that has changed, and today the spending power of blacks and their increased literacy has brought them to the fore in the consumer arena.

The two graphs show how media usage today is completely multi-ethnic, while the second shows the racial mix of the marketing bands. This latter graphic vividly illustrates the growing integration of spending power, even at the highest level.

The truth is that no matter what advertising medium is used to advertise a product, it will be seen by a fully representative cross section of the population.

Why then does the marketing community persist in using the language of a South Africa that

is fast disappearing? Why do they still talk in terms of four racial divisions and why does AMPS — respected worldwide as one of the finest source, product and media studies — still split itself into four racial elements.

The reason is that the community has traditionally been more concerned with the differences between the races than the similarities. Over the years numerous seminars, research studies and discussions have been held on the idiosyncrasies of the different markets.

But never once has there been a seminar held, or rarely has a paper been published, pointing out that in media and product usage the similarities and commonalities may outweigh the differences.

The way marketers think about the market is entrenched in the language that they use and the mind's eye picture that they hold. If that does not change then nor will their perceptions, and they then stand in danger of falling way behind in this country's rapidly gathering reform momentum.

The language that is used is based on racial demographics.

For example, heavy users of overseas air travel will be white. A income group, English speaking males, counting as an unmeasured bonus the small, but growing, number of blacks, coloureds and Asians who are travelling too.

The prime target market for hotel advertising is white, adult males, putting aside the relaxation of the laws and the growing affluence of the non-whites that puts hotels within an expanding section of their communities.

Black upper-income housewives and white middle income housewives are core-users of margarine, and so on.

It would be wrong to ignore the fact that environmental, educational, cultural and residential factors create communication and perception problems that must be considered, but it would be more realistic in today's atmosphere to look at the qualities that South Africans share rather than those which differentiate them.

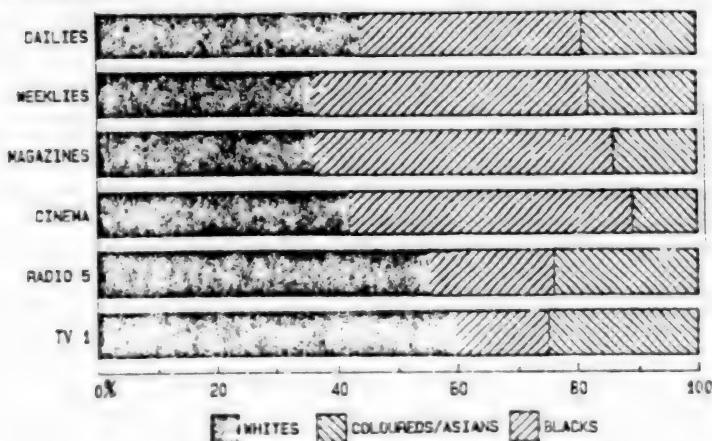
A solution would be to introduce a new marketing patois. A fresh picture of consumer needs based not on racial differences but on economic and social similarities.

AMPS data provides the statistical material for this, and analysis already conducted correlating education, employment has produced common marketing bands that is already receiving a cautious reception from the marketing community.

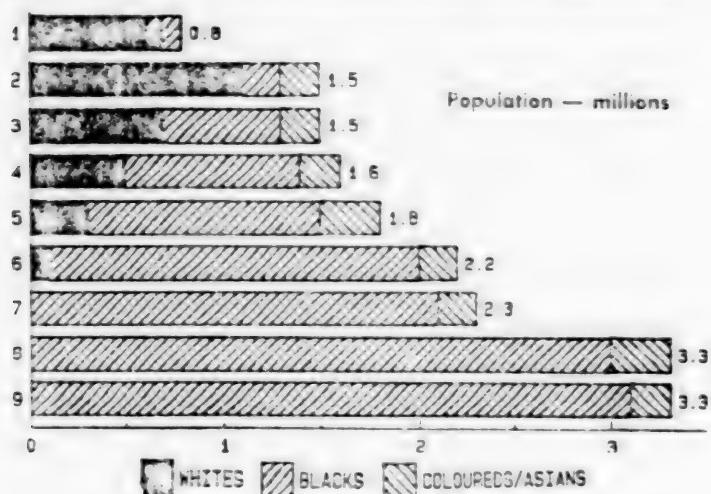
The way South Africans view their market is so strongly rooted in their politically inspired past that changes will not be easily absorbed.

If, however, the marketing community feels that, a lynchpin of modern thinking should be seen to be recognising the swiftly changing realities of the market in which it operates — then target market definition would be a worthy place to start.

### All media have multi-ethnic audiences



### Racial composition of the marketing bands



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SOUTH AFRICA

## CONSUMER BOYCOTTS THREATEN CHRISTMAS RETAIL TRADE

Johannesburg SUNDAY TIMES (Business) in English 13 Oct 85 p 3

[Article by Ciaran Ryan]

**[Text]** THE consumer boycotts in the Cape and Transvaal appear set to last until after Christmas, wrecking retailers' hopes of strong seasonal buying to offset previous loss of business.

The chairman of the retailing committee of the CBD Association, Ric Beattie, tells Business Times: "If the consumer boycotts go on till December it could have a disastrous effect on business."

Toy shops rely for up to 50% of their annual turnover on sales in November and December. Many clothing retailers record a third of their annual turnover in these two months."

Heworths, which was recently placed in provisional liquidation, blamed its demise in large part on the consumer boycotts. There are fears that a boycott over the Christmas period will drive more retailers to the wall.

### Exploiting

The boycotts appear to be intensifying in some areas of the country while dying out in others. They are watertight in the Eastern Cape, intensifying in the Western Cape, but relatively poorly supported on the Reef.

Now attempts are being made to prevent black traders from exploiting consum-

ers participating in the boycott of white stores.

Black traders in the Eastern Cape and Soweto have been forced by the boycott organisers to keep prices down within certain limits in response to charges of exploitation. However, not all traders are heeding the organisers' calls to keep prices down.

### Liquor sales

The Western Cape Traders Association (WCTA), which represents 2 000 traders in the Western Cape, is attempting to compete with white-owned supermarkets by entering into bulk-buying agreements with wholesalers and manufacturers.

The WCTA is also campaigning for an end to liquor sales to blacks.

A spokesman for the WCTA told Business Times: "Turnover in black-owned stores have gone up by 50% in Athlone and about 80% in Elsies River.

"We are planning a boycott of wine in the Western Cape to follow the consumer boycott. About 80% of the cheap wine sold in the Western Cape is sold to blacks."

### Little effect

Woolworths, Pick n Pay and OK Bazaars have outlets in Mitchells Plain, where white-owned stores were attacked by rioters in an attempt to enforce the boycott.

However, according to Alan Lighton, director of the Cape Town Chamber of Commerce, the consumer boycott in the Western Cape is having little effect on white retailers.

He says: "At the time of the recent riots there was a disruption of normal business, but things are returning to normal."

An estimated 600 000 blacks are participating in the boycotts in Port Elizabeth, East London and Mdantsane (near East London) in Ciskei, with no sign of any weakening.

A number of white-owned stores dependent on black consumers have closed their doors until the boycott is over.

The secretary of the East London Chamber of Commerce, Jock Allison, told Business Times: "The boycott here is about 80% effective. Despite the fact that we have met the local demands of the organisers, the boycott has still not been called off."

Boycott organisers in East London called for hawkers to be allowed into the city and that Duncan Village, which was to be incorporated into Ciskei, should be retained as South Africa and upgraded.

## **Slow return**

Both these demands were met.

In Maritzburg, though the boycott has been called off, there has been a slow return of black shoppers to the CBD. Scepticism among blacks that the boycott has officially been ended is believed to account for the delay.

There are fears that a continuation of the boycott will establish new spending habits among blacks and that this business will be permanently lost to white CBDs.

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SOUTH AFRICA

STANDARD, BARCLAYS OPTIMISTIC ABOUT ECONOMY

Johannesburg THE STAR in English 14 Oct 85 p 15

[Text]

Two major banks, Standard and Barclays, are far more optimistic about prospects for the economy in their October economic reviews than they have been for some time.

However, neither bank is sanguine about prospects for next year, and both highlight the many difficulties still standing in the way of a renewed upturn in economic activity.

In its review Standard says that domestic economic activity in South Africa has probably bottomed out, but growth inhibiting factors are likely to remain present during the year ahead.

The improvement in domestic activity is likely to be reinforced by the combination of strong export earnings and a shift in fiscal and monetary policies towards overt stimulation.

"The many positive forces now present in the economy — a booming export sector, large and growing trade surpluses, improved personal savings, low inventory levels throughout the economy, low capacity utilisation and a willingness to work harder for less reward — should by now have already radically altered the economy's internal performance, for the better."

**GROWTH POTENTIAL**

Previously held expectations of a substantial reduction in inflation have given way to the anticipation of major inflation-

**ary pressures in the years ahead.**

"That combination of negative forces may well cost the economy about one percent growth in GDP terms this year, and it is bound to reduce next year's growth potential by some two percent," Standard says.

"Any realistic assessment of the country's growth potential in the year ahead must allow for the unpalatable fact that foreign political and financial pressures have assumed a momentum of their own and that even fairly significant domestic reform is unlikely to soon be able to halt or reverse these trends.

"Equally, even though pragmatism and a move towards negotiation of domestic political issues are likely to reduce internal conflict, it is improbable that fundamental problems can be eliminated in the short-term.

**BROADENING FRONT**

"Growth inhibiting factors are thus likely to remain present during the year ahead. However, despite the presence of these negative elements, the fundamental improvements within the economy, which have flowed from both the consistent application of demand restricting measures over the past year and the strength of the export sector, appear to have already stabilised the economy."

"Therefore some recovery trends are likely to become more noticeable during the latter months of this year. For 1986 an expansion over a broadening front is in prospect, in spite of an array of growth-inhibiting factors."

Barclays says that average wages and salaries will increase by between 10 and 12 percent next year, while inflation will average about 13 percent.

Short-term interest rates will continue dropping, and the bank foresees that the prime overdraft rate will reach the 13 to 14 percent level by the end of 1986.

Private consumption spending is likely to be sluggish in gathering momentum next year, not only because of uncertainty in the minds of consumers, but also, and perhaps more fundamentally, because real salaries and wages are likely to fall.

"This poor performance in private consumption demand will in turn impact on fixed investment spending, particularly private investment spending."

"The manufacturing sector is at present operating substantially below full capacity, and

this factor, plus widespread uncertainty and lack of confidence in the business community, indicates another decline in investment spending in 1986," it says.

Barclays predicts an increase in real private consumption spending of only one percent for 1986, while it expects fixed investment spending to decline by 5.5 percent.

For a number of reasons the outlook for fixed investment spending next year was bleak.

"Firstly, the restrictive monetary and fiscal policy of the past year or so has impacted so severely on domestic demand that production capacity in the manufacturing sector had fallen to an average of 84.4 percent by the second quarter of the year.

#### **CONFIDENCE SHAKEN**

"As long as this spare capacity exists, there is little need for new fixed investment, and since consumption demand is likely to increase only moderately next year, this spare capacity is unlikely to be exhausted at a rapid rate.

"Secondly, business confidence which is so vital to the outlay of large sums of money on fixed investment has, like consumer confidence, been badly shaken by the events of the past eighteen months, and this factor is likely to offset any stimulus to investment spending that might result from the lower interest rates expected next year.

"Thirdly, much of fixed investment spending involves the importation of machinery and equipment. The costs of importation have risen steeply as the exchange rate has weakened and a much greater return on investment spending is now required to justify the costs involved.

"With the business community at present so uncertain about the future, the increased costs involved in this regard will significantly dampen investment demand."

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SOUTH AFRICA

## UIF CASHES INVESTMENTS TO KEEP UP PAYMENTS

Johannesburg SUNDAY TIMES (Business) in English 13 Oct 85 p 3

[Article by Amrit Manga]

**[Text]** THE Unemployment Insurance Fund (UIF) has been forced to cash in R60-million of its fixed investments to meet growing claims.

The fund's fixed investments are a major source of financing claims from unemployed workers, and now stand at about R240-million compared with R300-million early this year.

Claims against the fund have more than doubled in the first seven months of the year against the same period last year - from R67-million to R130-million.

The last time fixed investments had to be cashed was in 1983, when the fund realized R20-million of its fixed investments to meet claims. Income for the whole of 1983 stood at R175-million against a total expenditure of R200-million.

The spiralling unemployment rate has cut into the UIF reserves in more ways than one. Besides having to pay out a record number of claims, the fund has to cope with significant losses in potential income as a result of retrenchments.

A survey of some of the major industrial councils revealed that more than 8 000 workers were losing jobs each month.

Official statistics put total registered unemployment - those workers who have registered with UIF - at around 123 000.

Based on the average combined contribution of employer and employee of about R4 a month, the fund's losses in potential income through declining employment could be close to R500 000 a month and increasing at a rate of R32 000 a month.

Though potential income has dropped, UIF commissioner Jack Scheepers says the fund is still receiving between R500 000 and R600 000 more a month now than during the same time last year.

"This increase in the fund's income can be attributed to the raising of the income ceiling for contributors' from R18 000 to R21 600 in January this year.

"Combined contributions by employers and workers have fluctuated between R12 million and R17-million a month."

"We have also been earning an average of R13.5-million a year in interest on fixed investments."

"This is likely to come under pressure as investments are cashed in. But it is hoped that part of the R150-million set aside for unemployment aid will rescue the situation," says Mr Scheepers.

"Despite spiralling unemployment, the total number of contributors has not changed since last year, and we still have more than 1 million workers on our books."

Administration costs were also not much higher than the R11-million recorded a year ago.

The UIF employed about 500 permanent staff in 1984 along with another 400 agents authorised to process claims.

According to Mr Scheepers, about 60 additional posts had to be created to cope with about 40 000 applications for UIF benefits every month.

"But our administration costs have not been radically altered."

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SOUTH AFRICA

## INCREASE IN COMPUTER CRIME REPORTED

Johannesburg SUNDAY TIMES (Business) in English 13 Oct 85 p 1

[Article by Kerry Clarke]

[Text]

**FOR the first time the vulnerability of South African companies to that insidious partner of high technology — computer crime — has been exposed.**

Computer crimes previously hushed up and pushed under the corporate carpet have been documented in a casebook which reveals that SA business faces threats ranging from trivial, amateur cases of fraud to calculated and malicious sabotage.

Fifty-seven cases which have occurred over the past five years have been analysed in the book — compiled by Jean-Pierre Michels, senior consultant in accounting firm Aiken & Carter, and computer-security consultant Paul Credo of Datatime.

### Startling

Attempts by Business Times to verify information in the book met with little success, and a Volkskas spokesman summed up reaction with the comment: "One of the first rules of the security game is that you do not talk about it."

One of the most startling conclusions of the casebook is that only 13% of computer criminals were prosecuted or asked to pay damages.

About a quarter of the criminals were simply dismissed, while 9% received only a verbal reprimand. No action was taken in 12% of the cases.

The reason for this reluctance to resort to litigation is the fear of losing face. This means that the crimes documented in this book reveal only the tip of computer crime in SA.

### Unwilling

Paul Credo, co-author of the book, says a recent study in the US shows that, for all computer crimes which are discovered by the victim, only 2.2% become public knowledge, and more than 20 cases which he and Mr Michels researched had to be left out of the book due to the victims' reluctance to pursue the matter.

Business Times found that companies were extremely unwilling to tell if they had been victims of computer crime, and one bank categorically denied it had ever had a case of computer fraud.

The book concludes that most of the crimes uncovered occurred because the victims failed to give adequate attention to the control and auditability of their computer applications, or did not appreciate the need for proper segregation of duties in key functions.

"A sophisticated, well-thought-out computer crime could very well precipitate any company into bankruptcy," says Mr Michels.

Ed Jurisich, executive director of the Computer Users' Council, which represents some of SA's largest computer users, says his members are aware of and are concerned about the threat of computer crime, and it appears that some companies do place a high priority on computer security.

Standard Bank has a number of staff members devoted to research and development in this area, trying to stay a jump ahead of criminals.

### Involved staff

Jim Shaul, Anglo American Corporation computer consultant, sums it up: "Total security costs an infinite amount. What a company has to do is look at its computer systems and try to balance what the risks might be with the costs incurred in securing the system."

The book shows that companies cannot assume that the threat of computer crime will come only from outside the company — about 47% of computer crimes in South Africa are perpetrated by computer users, and 40% of these cases involved computer staff.

Financial institutions and industrial corporations are the main targets of computer

criminals — of the 57 cases, 18% of the crimes occurred in the financial sector, 18% in industrial corporations, 14% in distribution companies, 16% in multinationals and major groups, and 6% in retail businesses.

## Software

Money was the target of 34% of perpetrators, theft of information was second with 20%, and theft of goods third with 16%. About 19% of cases were sabotage-related.

Other common crimes are theft of software and illegal use of computer time. In one case nearly all the staff in the data-processing department of a major company were running their own independent bureau overnight on their employers' computer.

This illegal business was so successful that additional equipment was needed for the data-processing installation and was exposed only by the company's unusually heavy demand for stationery.

## Fired

In another case, a data-processing manager of a pharmaceutical company held the management hostage, threatening to collapse vital computer systems if they did not allow him to set up his own microcomputer agency to run their business.

As he was the only person who could run the systems, the management let him believe his demand would be met, but he was fired 10 months later after documentation and operating back-up had been established.

A project manager lined his pockets to the tune of several thousand rands at the expense of his mining-company employer by misusing his privileged access to the payroll system and editing the personnel database on payday to increase his monthly salary by R400.

He covered his tracks by modifying the system the day after payday to reflect the correct salary.

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SOUTH AFRICA

## SPL PREDICTS TWENTY-FIVE PERCENT GROWTH

Johannesburg SUNDAY TIMES (Business) in English 13 Oct 85 p 1

[Article by Kerry Clarke]

[Text]

SPL, the first South African computer software company to be listed on the JSE, is predicting a 25% annual compound growth in pretax profits and earnings of 11c a share for the year to February.

Tomorrow the company will offer 1.46-million shares to the public at 75c a share.

The prospectus to be released tomorrow says SPL expects to pay a dividend of 4.5c a share for the financial year.

This puts SPL on a forecast earnings yield of 14.8% and a prospective dividend yield of 6% on the issue price.

In addition to the 1.46-million shares offered to the public, an additional 700 000 shares will be issued to staff and associates. The company will raise just over R1.5-million through the issue.

### Distribution

The company expects to be listed in the electronics sector on November 20.

SPL was formed in 1970 when computers were not yet in common use in South Africa and there were few companies catering for the needs of computer users.

Since that date, SPL has built more than 200 computer systems for clients and acquired distribution rights for a number of foreign-developed mainframe computer software systems suitable for IBM and IBM-compatible computers.

It is now believed to be the largest software house in SA, employing 180 people and with a customer base of 150 organisations. SPL incorporated subsidiary Computer Personnel Ltd in 1969, specialising in computer personnel recruitment and consulting. The group's audited consolidated profits before taxation for the six months to end-August were R1.5-million.

### Research

The directors predict that turnover for the year to February 1986 will be R20-million while pretax profits for the period should be R3.4-million, which would be a 26% increase over the previous year.

Taxed profit should be R1.7-million, assuming a tax rate of 50%.

SPL managing director Lewis Folb says the company originally planned to seek a listing on the development-capital market.

"Our research showed that the development-capital market in the US and UK had provided a successful means of listing for companies such as ours, but we have since found that the development-capital market in South Africa has not performed as well as expected and has not attracted our type of company."

"We were advised that if we wanted to attract a broader spectrum of investors we should go for a listing on the main board. We fit comfortably within the JSE main board requirements, so we elected to go this route."

Mr Folb says the company's brokers expect the offer to be oversubscribed.

"Computer software is a business that only those working in the computer industry really understand. But it is an area which has shown good growth even in a recession, and offers an exciting investment opportunity."

SPL is only the second computer company to be listed on the JSE — the first was hardware supplier and bureau Computermatic, which was listed through the cash shell Eurefin this year.

Mr Folb says he sees no reason why more computer companies should not seek a listing and, though there might not be that many software services companies that can meet JSE requirements, several hardware companies should be eligible.

### Export

SPL did not plan to expand its business after the listing, and the extra funds would rather be put to use

**In the development of software packages for export, which had been impossible up to now due to lack of funds.**

**Mr Fob says that, if anything, SPL stands to gain should sanctions become a real threat to South Africa.**

**"At least half our earnings are generated in the services sector, which is completely independent of overseas principals."**

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SOUTH AFRICA

## UNIT TRUSTS SWITCH TO GOLD, MINING

Johannesburg SUNDAY TIMES (Business) in English 13 Oct 85 p 8

[Text] **SOUTH Africa's 13 unit trusts piled out of cash and into equities in the September quarter, with gold and mining shares a popular portfolio choice.**

Association of Unit Trusts chairman Peter Polsen says: "The fund managers had a busy quarter and committed considerable funds to the equity market."

"The equity holdings of the 12 equity trusts increased 8.1% during the three months from R1 021.1-million at the end of June to R1 103.7-million at September 30."

Equities now comprise 81.1% of the unit trusts' portfolios compared with 76.1% in September last year and 78.9% on June 30 1985.

### Encouraged

Liquid assets have declined from 21.3% of total portfolio in September last year to 13.8% at the end of last month.

The record export earnings of the mines due to the weak rand encouraged the trend to the mining boards, and at the end of the quarter the funds had 37.4%, or R509.1-million, of their R1 391.6-million total assets in gold, mining finance and other mining shares.

The Association of Unit Trusts analysis of the Sep-

tember investment trends shows that, to accommodate their increased mining holdings, the 12 equity funds invested new funds and reduced their investment in industrials and liquid assets.

### Fell

The funds now hold R164-million, or 12%, of their portfolios in gold shares, R198.5-million, or 14.6%, in mining financials and R146.6-million, or 10.8% of the portfolio, was held in other mining shares.

The funds thus had R509.1-million invested through the mining boards against R568.7-million in industrials.

Investment in industrials fell from the June holding of R574.9-million, or 44.4%, of the total portfolio to R568.7-million, or 41.8%, at September 30.

Simultaneously, liquid assets fell from 14.6% of the portfolio to 13.8%.

At the end of the quarter, the 12 equity funds held R188.4-million in liquid assets, R40-million less than in the previous quarter. A year ago liquid assets held by the trusts totalled R223.9-million.

Mr Polsen says the investing public's increasing inter-

est in unit trusts as an investment medium can be seen from the R35.6-million net inflow to the industry during the quarter, with sales reaching a record level of R62.8-million.

"The net inflow of R35.6-million for the September quarter, taken with a net inflow of R28.8-million over the past three quarters, means there has been a net new investment of R64.4-million in the industry over the past year."

### Appreciated

The market value of the assets managed by the 13 funds appreciated 5.4% during the quarter, from the June quarter's R1 320.5-million to R1 391.6-million at September 30, while over a 12-month period the value of the industry's assets has increased by 29.4%.

The unit-trust index, which measures the market value of the funds plus the cash they hold for distribution, rose 2.2% during the quarter to stand at 648.96 points.

Over the past five years, since September 1980, the index has appreciated 55.7%, while over the same period the income index has almost trebled to reach 1 210.43 points at September 30.

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SOUTH AFRICA

## PHARMADOR TO STREAMLINE EAST LONDON PLANT

Johannesburg SUNDAY TIMES (Business) in English 13 Oct 85 p 4

[Article by Zelda Zaayman]

[Text]

LOCAL drug manufacturer Pharmador, which has an annual turnover of about R24-million, is to spend R1-million on its East London pharmaceutical plant.

The money will be spent on computerised manufacturing systems, new equipment, additional plant and extensions to the existing building.

The work should be completed by June next year.

The expansions are needed to streamline production and keep pace with increasing demand, says managing director Pierre Greyvenstein.

The privately owned company has been growing at an average rate of 30% a year for the past three years.

The company is controlled by the Greyvenstein family, which started in business as the manufacturer of Ouma Rusks in 1939 in the Eastern Cape.

This led to the formation of SA Homemade Foods and later Simba Quix.

In 1977 the Greyvenstein family sold out to Federale Foods, part of industrial conglomerate Federale Volksbeleggings.

Pharmador was started in 1978 when a wide range of pharmaceutical products was acquired from Caps, the largest independent pharmaceutical company in Zimbabwe.

The company also branched into electronics at the same time when it started a component division, Greymatix.

According to Mr Greyvenstein this division is showing a growth rate of between 30% and 40% annually.

The electronic interests of the company were expanded in 1980 when a computer division, Gredata, was added.

This part of the company is active in the local assembly of IBM PC Compatibles. Mr Greyvenstein says that growth in this division is also satisfactory.

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SOUTH AFRICA

## WORK ON LOW-COST URBAN DEVELOPMENT PROJECTS REPORTED

Johannesburg SUNDAY TIMES (Business) in English 13 Oct 85 p 7

[Article by Kerry Clarke]

[Text]

THERE is an urgent need to tackle the backlog in low-cost urban development, and contractors are being called on to work ever faster on priority projects.

It is this environment that is fostering the concept of building and civil consortiums in South Africa, and one of the largest consortiums formed between SA contractors is already proving its worth on a R15-million fast-track contract at Khayelitsha outside Cape Town.

Basil Starke, Besterecta, Clifford Harris, Concor, Earthmovers United, Murray and Roberts Civils, Racetec, Rohr Roads, Savage & Lovemore and WJM Construction have together formed a consortium called Western Cape Contractors, which is ahead of schedule on the Khayelitsha contract.

The contract calls for the construction of 46km of roads, installation of 186km of sewerage, stormwater drainage and water reticulation, and the completion of more than 8 600 toilets within 20 weeks. The project is one of the largest of its kind to be undertaken in the Cape.

### Too extensive

Western Cape Contractors chairman Ivor Korck, managing director of Rohr Roads, says most of the underground services will be complete within the next week, and he expects the entire contract to be complete ahead of the stipulated deadline in February 1986.

Mr Korck says the contract was too extensive for any one contractor to handle within the 20-week deadline, but, by pooling manpower, management and plant resources, the nine civil contractors and one building contractor will be able to satisfy time limits at no cost penalty to the employer.

He says consortiums are not new, and have been successfully deployed in major power station contracts and other building contracts before, but Western Cape Contractors is probably the most powerful consortium yet formed in SA.

"There has not been a consortium with so many participants before."

Mr Korck says the consortium is not a loose partnership but is based on a precisely worded agreement which proposes a carefully developed management structure.

### Promising

"Whether we make use of this format for future contracts will depend on the circumstances. One of the necessary circumstances is that the contract time is very short.

"Under normal circumstances, the companies within the consortium would compete with each other on such contracts, and they will continue to do so in future."

Mr Korck believes consortiums have a promising future in SA in fast-track contract work.

"There is a high socio-political priority to provide accommodation for people at the low end of the income scale, and this kind of work must be completed quickly, considering the backlog that exists. Consortiums can play an important part in speeding up such contracts."

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SOUTH AFRICA

## SLUMP HITS THE GAS INDUSTRY

Johannesburg BUSINESS DAY in English 15 Oct 85 p 5

[Article by Linda Ensor]

[Text] THE industrial gas industry, bedevilled by over-capacity and a slack demand, has been characterised by severe competition and price-cutting practices over the past year.

However, none of the four main competitors — Afrox, Air Products, Fedgas and Union Liquid Air — have any intention of pulling out of a market estimated at R160m a year in retail terms.

The industry supplies gas to a broad spectrum of the manufacturing sector and is seen as being a barometer of the economic climate.

"The economic environment is tough, competition is intense and there is no great activity," says Afrox MD Peter Joubert.

Air Products MD Geoff Prevett agrees: "We are quieter now than we have been for a number of years. The market is very competitive and prices have plummeted."

"We are not able to pass on cost escalations in transport, labour, electric power and capital costs. Profit margins have moved down consistently since a peak year in 1981."

The market is over-supplied and volumes have shrunk. The metal fabrication industry — a major consumer of industrial gas — is down by about 20% over last year. Gas consumption by the car industry has fallen off by as much as 50%.

"My perception of the industrial gas industry this year is that volumes will be down by 10%" says Colin Kennedy, MD of Union Liquid Air.

As the industry is capital-intensive, operating with large fixed overheads, it has been hard hit by rising interest rates on borrowings for imported capital goods.

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SOUTH AFRICA

BRIEFS

**HOME-COMPUTER MARKET**--South Africa's home-computer market is alive and well despite the recent hiccups experienced in many overseas computer markets. By overseas standards the SA market is nowhere near saturation point. Some home-computer vendors say it is still in its infancy. Only 1.7% of white households have a computer, they add. It is generally believed that when computers become more widely used in school environments there will be a spin-off into homes of every nationality. Brenda Solomon, MD of Spectravideo International's SA agents, James Ralph, says: "While there is the problem of price, I still believe the market has good growth potential." She points out that prices have fallen overseas, but this has been negated by the rand's decline against other currencies. "Some of the losses made on lower rand values must be absorbed to maintain a good position in the industry. "I believe that consumer resistance could be growing -- especially among the less wealthy -- so distributors are forced to help," she says. The SA market has traditionally followed closely on the trends of major overseas markets, with Japanese computers leading the field. [Excerpt] [Johannesburg SUNDAY TIMES (Business) in English 13 Oct 85 p 6]

**STEEL INDUSTRY SAGS**--The steel industry is suffering from lack of specialisation. Effects of the 42% drop-off in steel castings over the past five years are aggravated by undercutting, cashflow problems and reluctance to modernise. A root cause is small volume demand for specific products, and foundries rely on jobbing instead of tooling up to specialise. "There is uncertainty as to where the industry is going," says a spokesman for a medium-sized foundry. "The trend overseas is to modernise or close down," he says. But right now modernisation is pushed towards the back of the programme, as many foundries suffer from cashflow problems. Forest Engineering foundry division manager John Aubin says the industry is shrinking because of foundries running uneconomically. There are also several substitutes for castings, particularly plastics. It is felt import replacement will soften the drop in overall demand, and some hope is built on a growing tendency among overseas buyers to source from SA. But no real recovery in the metal industry is seen before mid-1986. [Text] [Johannesburg BUSINESS DAY in English 14 Oct 85 p 3]

SRI LANKAN TEA--COLOMBO--The Sri Lankan government will not impose any fresh sanctions against South Africa and will continue to export tea to that country, says Sri Lankan Foreign Minister Shaul Hameed. He was replying to Communist Party parliamentarian Sarath Muttetuwegame during a debate yesterday. Muttetuwegame demanded that the Sri Lankan government suspend trade with South Africa. Hamseed said Sri Lanka had already associated itself with the demand for the release of Nelson Mandela and stated its opposition to apartheid. "I do not know what other action we could take," he said.--Sapa. [Text] [Johannesburg BUSINESS DAY in English 10 Oct 85 p 2]

FIRST FOOD AID FOR QWAQWA--About 5 000 undernourished QwaQwa children under the age of five are to benefit from a food-aid programme that is being carried out by the Department of Development Aid with the first consignment of food delivered yesterday. A scientific study conducted by QwaQwa's Department of Health and Welfare showed that 12 percent of the local children are under the age of five, and that 20 percent of this group is undernourished. When the results of the study were released, the QwaQwa Government appealed to the Department of Development Aid for assistance. The Department responded to this call, and the first consignment of food, consisting of 7 500 kg of powdered milk, and 1 500 bags of potatoes arrived in Witsieshoek yesterday. The Department of Development Aid in Pretoria has announced its intention of continuing with this food-aid programme on a monthly basis until March 1986. [Text] [Johannesburg THE CITIZEN in English 24 Oct 85 p 12]

WIDE BACKING FOR EMERGENCY--There is wide scale support for the State President's decision to declare a partial state of emergency in South Africa, according to a nationwide omnimapoll conducted by Market Research Africa. Of urban White adults, 98 percent were found to be aware that a partial state of emergency is in force, with 69 percent "strongly" agreeing with its introduction, 26 percent partly agreeing and five percent disagreeing. Afrikaans speakers came out as the strongest supporters (82 percent) compared to 54 percent of English speakers. Those in the higher income group, where household incomes exceeded R3 000 a month, were less supportive--although 57 percent strongly agreed with the decision, and six percent disagreed. "The urgent need to establish law and order and to restore normal living and working conditions has support throughout the country," said Miss Sue Scott, manager of Market Research Africa's omnibus division. "The fact that the majority of all sections of the community are in favour of the State President's action indicates that this is not just a political matter, but reflects an almost universal desire for the restoration of peace and harmony in South Africa."--Sapa. [Text] [Johannesburg THE CITIZEN in English 24 Oct 85 p 18]

UCT PRINCIPAL WARNS OF UNEDUCATED GENERATION--Cape Town.--The principal of the University of Cape Town, Dr Stuart Saunders, says if children do not go back to school, there is the danger that a generation like the Red Guard in Communist China could develop in South Africa, it was reported yesterday. Dr Saunders told pupils of Westerford High School in Cape Town on Monday night that nothing could be more dangerous than uneducated, ill-disciplined mobs in the streets and South Africa had to see that it did not happen. He believed the children would have ended their boycott if their demands had been met.--Sapa. [Text] [Johannesburg THE CITIZEN in English 24 Oct 85 p 10]

UDF CHIEF DETAINED--Cape Town--United Democratic Front executive, Mr Trevor Manuel, was taken from the UDF's Cape Town offices yesterday by Security Police. Mr Manuel, the Western Cape secretary of the UDF and a member of its national executive, recently emerged after several weeks in hiding. According to a UDF office worker, Mrs Veronica Simmers, four Security Policemen entered the UDF's Corporation Street offices at 12.50pm and told Mr Manuel he was being detained under Section 29 of the Internal Security Act. Mrs Simmers said the police did not search the offices before detaining him. "They just walked straight up to him, handcuffed him and took him away," she said. Mr Manuel has been a key figure in the UDF since its inception in 1983. Soon after the state of emergency was declared in other parts of the country Mr Manuel went into hiding. After the release of other local UDF executive members, about three years ago, Mr Manuel made cautious public appearances. [Text] [Johannesburg THE CITIZEN in English 23 Oct 85 p 9]

BOYCOTT KILLS CLOTHES CHAIN--Hepworths, South Africa's national clothing chain with 62 stores and 12 factories, and an annual turnover of 24.4 million rand, is in provisional liquidation as a result of the black consumer boycott and the poor economic situation. It is believed to be the first major retailer to close because of the boycott. The company could not meet the demands of a consortium of seven major banks for immediate repayment of debts of more than six million rand. A total of 400 people are expected to lose their jobs as a result of the closure, which Hepworths chairman Irwin Rudick blamed on the depressed state of the economy and "the extremely effective boycott exercised by black buyers against the group's trading outlets." [Text] [Paris INDIAN OCEAN NEWSLETTER in English 12 Oct 85 p 7]

GERMAN FEARS--The South African-German Chamber of Commerce and Industry says West German companies operating in South Africa are going through their worst crisis in 40 years. Although most firms have indicated their intention to stay in the country in spite of adverse economic conditions, the chamber says many have been forced to reduce operations with resultant cutbacks in staff. Further job losses and plant closures could be prevented only if the government acts urgently to resolve social and political problems which the chamber blames for South Africa's economic ills. [Text] [Paris INDIAN OCEAN NEWSLETTER in English 12 Oct 85 p 7]

MORE THAN ENTERED--South Africa lost 299 people in July according to figures released in Pretoria yesterday the Central Statistical Services. The number of immigrants totalled 894, of which 409 were people who had arrived as visitors at one time or another and since become approved immigrants, while immigrants totalled 1 193. The number of visitors from other countries who arrived in South Africa in July totalled 55 223. During the same month the number of South Africans who departed for visits to other countries totalled 48 085.--Sapa. [Text] [Johannesburg THE CITIZEN in English 24 Oct 85 p 10]

WHITE AREA IN EAST LONDON FOR INDIANS--A portion of the White group area of Amalinda at East London will be converted to an Indian group area, the Minister of Constitutional Development and Planning, Mr Chris Heunis, said in Pretoria yesterday. The relevant area, which was investigated by the Group Areas Board in January this year, would be proclaimed in the Government Gazette after it had been surveyed, he said in a statement. He warned, however, that proclamation for the approved Indian area would still take "a considerable time."--Sapa [Text] [Johannesburg THE CITIZEN in English 25 Oct 85 p 5]

TEACHER UNIONS AGAINST LABOR INVESTIGATIONS--Cape Town--Teachers' organisations in the Western Cape have warned of action if steps are taken against members of the profession in the wake of the Labour Party's decision to investigate the actions of 42 teachers and principals. The 19 000-strong Cape Teachers' Professional Association (CTPA) said it "would not hesitate" to take "the required action" when there were signs that the profession was being assailed. The newly formed 1 800-strong Western Cape Teachers' Union (WECTU) said its members "would react to any action taken against the teachers" alleged to have "assisted" with the schools boycott. A statement issued after an emergency meeting of the CTPA executive on Monday said pupils, teachers and the broad community were "in deep turmoil as a result of the profound agony and rage imposed over a long period by the scourge of apartheid". When they protested peacefully the anguish was compounded when children were shot in the streets, the statement said. To add insult to injury, Ministers "responded with threats and bully tactics by making cheap politics of our profession". The CTPA rejected this and would not be deterred from acting as watchdog over the profession and its members. It sent a "calculated signal" to the Minister (of Education and culture, Mr Carter Ebrahim), that it would not hesitate to take required action when there were signs that the profession was assailed. [Text] [Johannesburg THE CITIZEN in English 23 Oct 85 p 9]

SWAZILAND

BRIEFS

MAIZE BAN LIFTED--Mbabane--The Swaziland Government has lifted a ban on the importation of the maize products from South Africa, it was reported yesterday. The ban was imposed two months ago to protect local maize farmers from what the government said was "unfair competition" from South African maize producers. Swazi maize farmers had complained their stocks of maize were lying rotting as local wholesalers preferred to buy South African maize products because they were of better quality and cheaper. [Text] [Johannesburg THE CITIZEN in English 24 Oct 85 p 4]

ILLEGALS ARRESTED--Mbabane--Swazi police said yesterday about 300 illegal Mozambican immigrants had been arrested in a country-wide sweep and said an armed man killed resisting arrest earlier this week was a Mozambican soldier named Mr Raphael Fazuda Masinga. Police spokesman, Superintendent Solly Mkhonta said Mr Masinga opened fire when police arrived at a house in the central town of Manzini, wounding a constable in the thigh. Mr Mkhonta said documents found on Mr Masinga's body showed he was stationed at the town of Namaacha, just over Swaziland's northern border with Mozambique, and had been on leave from his unit since last month. Police have blamed an upsurge in violent crime during the past 18 months on Mozambicans who have entered Swaziland illegally. Mr Mkhonta said the intensive police sweep to counter the growing crime wave was launched on Monday after a South African tourist was murdered by two armed men at the weekend. [Text] [Johannesburg THE CITIZEN in English 18 Oct 85 p 12]

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ZIMBABWE

DEFENCE SECRETARY SAYS MNR MUST BE CRUSHED

Harare THE HERALD in English 16 Oct 85 p 1

[Text] Crushing the dissident scourge of the Mozambique National Resistance will bring great relief to Zambia and Malawi, who like Zimbabwe, have suffered from bandit activities, the Secretary for Defence, Cde James Chitauro, said in Nyanga yesterday.

Reviewing a pass-out parade of 13 Infantry Battalion at the Battle School, Cde Chitauro said Zimbabwe's army and air force were fighting side by side with the Mozambican forces at the invitation of President Machel.

Zimbabwe was pleased at the call for assistance because that country gave Zimbabwe generous and vital support and encouragement during the liberation struggle. Rail and road routes for Zimbabwe's imports and exports as well as the oil pipeline would also be secured and dependence on South African routes would fall away.

Cde Chitauro said the MNR's aim was destroying for the sake of destroying and not from any altruistic desire to liberate anybody.

"The task may take some time to complete and battalions such as yourself will undoubtedly be called upon in turn to play a part in the battle for freedom from the destructive forces in Mozambique."

The 11-week training the soldiers had undergone required every officer and man to be 100 percent fit for the rigours of bush warfare and conventional combat.

The defence secretary told the soldiers that the enemy had to be faced by a confident and professional force.

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ZIMBABWE

## LOCAL COMPANY WILL BUILD NEW HOUSES OF PARLIAMENT

Johannesburg SUNDAY TIMES (BUSINESS Supplement) in English 13 Oct 85 p 24

[Article by Ciaran Ryan]

[Text]

THE Zimbabwean Government intends awarding the contract for building its new Houses of Parliament to a Zimbabwean company.

The move is aimed at disarming criticism from local construction companies, which claim that the government has awarded the contracts for all major capital projects to foreign companies.

The building industry in Zimbabwe is running at 30% capacity, but staff lay-offs have been kept to a minimum because of laws which make it difficult to dismiss staff.

As a result only 10 000 workers have been laid off in an industry that normally employs 50 000.

The cost of the Houses of Parliament is estimated at Z\$100-million (R154-million at an exchange rate of Z\$0.65 to the rand), though how it will be financed is not yet certain.

The government is hoping that private donations will go some way to paying for the new building. However, many Zimbabweans argue

that the present parliament is adequate and that the money would be better spent elsewhere.

Zimbabwean contractors have been forced to search for work in neighbouring states while riding out the slump in the building industry.

The contract for the Houses of Parliament will mollify opposition from builders. There was consternation when the contract for the Harare Sheraton Hotel, due to open next month, was awarded to a Yugoslav company, Energoprojekt, at a cost of Z\$100-million.

### Conferences

The Yugoslavs were able to offer financing in the form of a soft loan to the Zimbabwean Government. Local builders are adamant that they could have built the hotel at a lower price, but could not compete with the Yugoslavian financial package.

The cost of the Harare Sheraton, which boasts the largest and most modern conference facilities in

Africa, was originally estimated at Z\$65-million.

Contractors have pointed out that the exclusive Monomatapa Hotel in Harare was built 10 years ago at a cost of only Z\$6-million. At current prices it would cost only Z\$20-million to build. However, conference facilities in the Harare Sheraton are booked up for the next 18 months.

Next year Prime Minister Robert Mugabe becomes head of the non-aligned movement, and Zimbabwe will host international conferences at the hotel for the duration of his three-year tenure.

A giant sports stadium outside Harare is being built for an undisclosed sum by the People's Republic of China. The Chinese were also able to offer financing in the form of a soft loan, which ruled out local participation.

The housing market has lifted for the first time since the start of the bush war in 1972. House prices have risen by up to 100% in exclusive suburbs of Harare, and by about 30% in cheaper areas, over the past 18 months.

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ZIMBABWE

## SOUTH AFRICAN ECONOMY CRISIS MIXED BLFSSING

Johannesburg SUNDAY TIMES (BUSINESS Supplement) in English 13 Oct 85 p 4

[Article by Ciaran Ryan]

[Text]

**SOUTH** Africa's floundering economy has brought mixed blessings for Zimbabwe, which has been basking in economic prosperity for the past year.

The Zimbabwe dollar has appreciated by 22% against the rand over the past year, bringing a welcome reduction in the country's import bill.

The strength of the Zimbabwe dollar is in contrast to previous years when it depreciated steadily against the rand.

This has enabled Zimbabwe to conserve its scarce foreign-currency reserves. About 18% of Zimbabwe's imports come from South Africa.

But there is considerable fear in Zimbabwe's business community that the imposition of a 10% import surcharge by South Africa will strangle those industries dependent on the South African market.

A number of textile manufacturers, among them the well-known David Whitehead label, are in danger of being squeezed out of the South African market by the surcharge.

Almost 80% of Zimbabwe's manufacturing exports find their way to South Africa, and the potential loss to the economy in foreign-exchange terms is incalculable.

### Enraged

There are also fears that the economic boom may be shortlived due to a combination of inflation and recent increases in minimum wage levels.

Farmers are enraged that the government, without consultation, doubled the minimum wage for certain categories of farm workers to Z\$143 a month.

The increase in minimum wages has benefited the domestic market, which may go some way to compensating manufacturers for any loss of business brought about by South Africa's import surcharge.

On the credit side Zimbabwe recently secured a European Economic Community beef-import quota of 8 100 tons, worth Z\$65-million (at an exchange rate of 65c to the rand) in foreign exchange.

Buoyed by this recent success, exporters are likely to move their marketing efforts away from South Africa to Europe and other overseas markets.

Zimbabwe's civil service employs 80 000 workers and a similar number in the armed forces at a cost to the country of Z\$1-billion a year, which is a staggering 30% of the budget.

The budget deficit in 1985 is expected to be about Z\$1-billion after revenues of Z\$2.5-billion have been collected. The deficit will be financed by government borrowings.

### Alienate

This, together with the new minimum wage levels, will

jack up the rate of inflation, currently running at 16%, to 27% next year, according to one economist.

The inflationary spiral will be difficult to stop once in motion, and is certain to alienate the poor, who are the intended beneficiaries of minimum-wage regulations.

The news from the agricultural sector continues to surpass even the most optimistic predictions. The value of crops grown by peasant farmers is expected to double to Z\$205-million this year compared with 1984.

Peasant farmers will grow 40% of the country's maize crop this year. More than 2-million tons, valued at Z\$300-million, will be delivered to the Grain Marketing Board by farmers and a further 1-million tons will be consumed on the land.

Zimbabwe normally consumes 1-million tons of maize a year, leaving more than half the maize crop available for export.

Record prices for tobacco will push export earnings from last year's level of Z\$350-million to more than Z\$400-million. Tobacco prices at the start of the season averaged 220c a kg, but quickly rose to 280c.

This year's tobacco crop is expected to be 113 000 tons, a little below last year's 119 000 tons.

The cotton crop is expected to be about 300 000 tons this year, almost 17% more

than last year's 250 000 tons, again largely due to the efforts of the peasant farmer, who now grows about 40% of the crop. About 80% is exported and foreign-exchange earnings are likely to exceed Z\$140-million.

### Kidnapping

Gold exports, the second-largest earner of foreign exchange in Zimbabwe, will net about Z\$200-million for the treasury.

Tourism, worth Z\$100-million, has become one of the largest earners of foreign exchange in Zimbabwe. The country has only recently overcome fears about the security situation after the kidnapping of six tourists in Matabeleland in 1982.

Emigration has slowed to a trickle. In July this year only 630 people left the country compared with an average of 1 300 a month in 1984.

Political unrest in South Africa has ruled out this country as a destination for Zimbabweans. The number of ex-Zimbabweans returning home is impossible to quantify because many did not formally emigrate in the first place.

One estimate puts the number returning at 90 families a month. But the government has closed the door on many former residents and appears willing to take only those who have skills.

ZIMBABWE

CANADIANS PINPOINT 32 AREAS WHICH MAY HAVE MINERALS

Harare THE HERALD in English 17 Oct 85 p 5

[Text] A Canadian mineral exploration team which is making surveys in Zimbabwe has identified 32 areas which potentially have mineral deposits.

The Minister of Mines, Cde Richard Hove, who made a tour of the site under survey about 30 km north-west of Gweru was told by the senior geo-physicist Mr Keith Standing that they were looking for gold, nickel, copper and zinc.

Mr Standing said the first phase of the programme started with aerial surveys which covered a third of the country and the second phase included a detached electro-magnetic survey in four areas between Gweru and Nkayi, Shangani, Fort Rixon and Lonely Mine.

Commenting on the results of the survey, Cde Hove noted that mining was an expensive venture which required substantial capital. Nevertheless, he was convinced that the surveys taken would boost mining expansion in the country.

The Zimbabwe Mining Development Corporation was not yet prepared to undertake such a large expansion programme. "Although there are large mining corporations, such as Anglo American, they have been reluctant to undertake such mining ventures," Cde Hove said.

Drilling tests would be started in a few weeks after negotiations with a local drilling company.

The ZMDC, an arm of the Government responsible for public investment in the mining sector, will also be responsible for establishing and advising mining corporations on small-scale mining.--ZIS

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#### HOT ROLLING MILL PROJECT MAJOR STEP FOR INDUSTRIALIZATION

Harare THE HERALD in English 12 Oct 85 p 2

[Text] Tube and Pipe Industries yesterday took a major step in industrialisation when it commissioned a \$3,5 million hot rolling mill project at its Willowvale factory.

The mill will enable the company to roll hot-rolled strip for the first time in Zimbabwe using 100 percent local input. A cold rolling mill is expected to be commissioned next year resulting in a foreign exchange saving of about \$1,5 million a year.

Over the past two years TPI has installed a second-hand Sezimir hot rolling mill and a high reduction mill from Britain. Ancillary parts such as a billet heater, traveling furnace, cooling system and electronic equipment were locally manufactured said a statement issued by the company yesterday.

Officially commissioning the mill yesterday the Minister of Industry and Technology, Cde Callistus Ndlovu said the mill would help Zimbabwe meet its demand for hot-rolled strip and plate.

"This is the line of industrialisation the Government is encouraging in the country--import-substitution industrialisation coupled with the capacity to export."

Cde Ndlovu commended the company for launching an export drive.

TPI is manufacturing a specialised exhaust system, partly for export to neighbouring countries, and for domestic supply based on a 100 percent local content.

With the commissioning of the cold rolling mill next year, he said, the company would strengthen its position as the major supplier and manufacturer of steel piping for furniture tubing, irrigation pipes, piping for the mining industry and galvanised water pipes--all important inputs in the country's economy.

The minister also commended the company for building up a strong workers committee which had been able to facilitate "excellent" labour/management relations.

During the commissioning yesterday, a draw was conducted by the Speaker of the House, Cde Didymus Mutasa, in which three lucky workers won trips for two to Victoria Falls, Kariba and around Harare.

Cde Mutasa also congratulated the management of TPI for creating happy relationships between employers and employees "that we are beginning to see in industries today."

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NATION NEEDS OWN RESEARCH FOR TECHNOLOGY SAYS PROFESSOR

Harare THE HERALD in English 12 Oct 85 p 2

[Text] There is a need for Zimbabwean scientists to put more emphasis on general scientific research to ensure that there is adequate information to solve technological problems, says the chairman of Scientific Council of Zimbabwe, Professor Henry Dzinotyiweyi.

Professor Dzinotyiweyi, who is associate professor of mathematics at the University of Zimbabwe, told the annual meeting of the Zimbabwe Scientific Association on Thursday night that the scientific community had a double role.

Scientists had to look at technological problems and apply already-known results as solutions. The Government understood this role which included transfer of technology, import substitution and the promotion of labour-intensive technologies in various productive sectors.

But if there was to be long-term development there was a need for scientific research, to find new results that could later be applied.

But Zimbabwe, like many developing countries, was short of resources for this sort of work and the Science Council had to identify the priorities.

Professor Dzinotyiweyi said there was also a need to bring in social scientists to research such problems as diseases associated with industrialisation.

The scientific council believed its role was not just advising the Prime Minister's Office on scientific matters but also to transform itself into a platform for science and technology.

For this reason a consultative meeting of scientists had been held last year. The recommendations made at that meeting had been discussed with the Prime Minister, Cde Mugabe, and considered by him and the council was now compiling a report on their implementation.

Next month another consultative meeting would be held to present this report.

The council also had to promote the effectiveness of scientific associations and was looking into the possibility of a science fair so these associations could show the public what they were doing.

Since the beginning of this year a committee of the council had been looking into the quality and circulation of Zimbabwe's scientific publications and the council wanted to improve both, and maintain high standards.

The council was concerned at the number of seminars and workshops that simply repeated the work of similar gatherings in Zimbabwe and outside and there was a need for more co-ordination to prevent this.

The Zimbabwe council had been a member of the Commonwealth Science Council for some time and had, through this contact, been able to support a number of projects and send scientists--10 alone since the middle of last year--to relevant meetings.

The council, said Professor Dzinotyiweyi, wanted to encourage participation in the international community and with other national associations in the East and West and in Africa. There was a problem in the Southern African region because of the apartheid system in South Africa and the effect it had on work in that country. Zimbabwe could have nothing to do with such a system.

Science and technology were the main weapons to fight underdevelopment in Zimbabwe and this was a challenge to all the country's scientists.

Earlier in the evening the association elected Dr Charles Goromonzi as new president to replace Dr David Cumming. Dr Goromonzi, an engineer with the Industrial Development Corporation, was vice-president in the last year.

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BRIEFS

NORWEGIANS PLEDGE RED CROSS AID--The Norwegian Red Cross has pledged more than \$19 000 to help the Zimbabwe Red Cross build Blair toilets and protected wells in Kagore area, Nyanga, the ZRC under-secretary for projects, Cde Pascal Midzi, said in Harare yesterday. "The project will cover 173 families who will be grouped 10 people for a well. Already the well sites have been selected and bricks for the Blair toilets have been moulded by the local people," he said. The project is being carried out with the help of the Ministry of Health, Agritex, the Red Cross and other volunteers. "If funds permit we would like to spread the exercise throughout the country," Cde Midzi said. The Red Cross was also starting tree planting projects in badly deforested areas throughout the country. The project, which started last year, is being funded by the Swedish Red Cross at a cost of \$24 000. Last year, with the help of the Forestry Commission, more than 15 000 trees were planted in several parts of the country. The exercise covered eight woodlots in the country's eight provinces. "This year, with the help of our Swedish and Danish counterparts, we hope to plant more than 36 000 trees. The aim is to initiate environmental conservation awareness," Cde Midzi said. [Text] [Harare THE HERALD in English 17 Oct 85 p 5]

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**DATE FILMED**

**12 DEC 85**